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THE APPLICATION OF TUSHMAN & ROMANELLI (1985), MILLER (1990), HININGS AND GREENWOOD (1988) AND PETTIGREW (1985) TO RETROSPECTIVELY TRACKING STRATEGIC ORGANIZATIONAL CHANGE IN A NON-PROFIT SOCIAL SERVICE AGENCY 1975-1992.

BY

STEPHEN R. BROWN ©

A thesis submitted to the Faculty of Graduate Studies and research in partial fulfilment of the requirements for the degree of Master of Business Administration.

DEPARTMENT OF ORGANIZATIONAL ANALYSIS

Edmonton,Alberta
Spring, 1993

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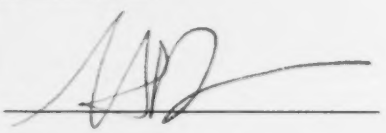

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The undersigned certify that they have read, and recommend to the Faculty of Graduate Studies and Research for acceptance, a thesis entitled 'THE APPLICATION OF TUSHMAN & ROMANELLI (1985), MILLER (1990), HININGS AND GREENWOOD (1988) AND PETTIGREW (1985) TO RETROSPECTIVELY TRACKING STRATEGIC ORGANIZATIONAL CHANGE IN A NON-PROFIT SOCIAL SERVICE AGENCY 1975-1992' submitted by STEPHEN R. BROWN in partial fulfilment of the requirements for the degree of Master of Business Administration.

C.R. HININGS

R. GREENWOOD

T. SLACK

ABSTRACT

The thesis summarizes four recent pieces of empirical work by Tushman & Romanelli (1985); Miller (1990); Hinings & Greenwood (1988) and Pettigrew (1985) on strategic organizational change. Key elements are identified from the summaries and used as reference points in trying to retrospectively understand the strategic change process experienced by a private, non-profit social service organization over a seventeen year period.

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1.INTRODUCTION

Andrew Pettigrew (1987) argued that 'the management of strategic change is one of the practical and theoretical issues of the 1980's' however now in the early part of the 1990's how useful might the recent theoretical development of this issue be to the practice of managers in organisations. Any literature review of the topic or even a glance through the more popular business magazines might suggest that by the sheer amount of information available, along with willing consultants to help in its implementation, it should be very useful. However an immediate question arises as to whether the large amount of information holds together in any form of coherent or useful framework? Faced with managing strategic change where does the manager start! Hinings and Greenwood(1988) echo this difficulty and agree with Pettigrew's proposition that the management of change will be of increasing rather than decreasing importance, but they also note the tendency of managers to under-manage the change process, in part because 'of the lack of systematic frameworks available to managers for understanding and analyzing situations of major organizational transformation.'

As a starting point it appears to me that there would be little disagreement with the proposition that organisations are not easily captured in any simple definition. They are entities with potentially different perceived purposes evolving within a web of proscribed and un-proscribed social relationships. Clegg (1990) talks of everything depending 'upon the indeterminate outcomes of struggles for meaning and power in and around organisations, struggles which take place under quite distinct national and institutional patterns.' Using more concrete imagery, Morgan (1986) uses

the story of blindfolded men trying to identify an elephant. Each arrives at a different definition dependant upon which part of the elephant they have felt. Morgan relates this to capturing the meaning of organisations except in this case we must view the elephant as in motion when we introduce the concept of change. An altogether more difficult and dangerous task.

Given this difficulty, it appears to me that critical to the potential development of any useful systematic framework is that it links its theoretical perspective and the bit of the 'moving elephant' it is trying to capture by some form of research strategy or practice. That is, there should be some form of empirical base for any useful framework. This provided the "start" for this particular thesis in that the works chosen for review had to have an empirical base.

The aim of the thesis is to undertake a basic testing-out of how useful some recent frameworks on the management of strategic change might be to myself as a manager in understanding the dynamics of change within my own organization? The thesis will summarize four recent pieces of work on organizational change that have tried to build a framework from an empirical base. The first work is that of Tushman and Romanelli (1985) with their discussion of organization evolution. Next to be considered is the Icarus Paradox by Miller (1990). Third is Hinings and Greenwood's (1988) work on the Dynamics of Organizational Change. Finally, Pettigrew's (1985) work on strategic change at I.C.I. is summarized. The works were not chosen in any random way but rather based on previous acquaintance and interest in the work of the particular authors. The summaries are used as reference points in trying to understand the change process experienced by a non-profit

social service organization over the past seventeen years.

The agency in question was founded in 1975 by four students graduating from Grant McEwan Community College's Youth Development Program. It is a not-for-profit, provincially chartered organization head-quartered in Edmonton, Alberta. It has a constitution, by-laws and elected Board of Directors. Its function is to assist disadvantaged children, youth and families across Alberta develop skills and support systems to function independently and effectively in their community. This is accomplished by providing counselling, support, foster care and residential services in the least intrusive manner. Its funding is principally through contractual relationships with the Department of Social Services who purchase specific services in the form of programs. Its practice is determined in large part by the Child Welfare Act of 1985 and associated policies and procedures.

It started services by providing a home for up to six adolescents in the Care of the Department of Social Services. Identifying other perceived gaps in services to youth it quickly expanded into other service areas. By 1984 it was managing eight programs across the province aimed at youth in Care. In 1986 it had started to work with families as well as youth and in 1989 commenced working with mentally handicapped individuals and their families. By 1992 it was managing nineteen programs in seven centres across Alberta and employed approximately 250 staff.

2. A SUMMARY OF 'ORGANIZATIONAL EVOLUTION; A METAMORPHOSIS MODEL OF CONVERGENCE AND REORIENTATION' by MICHAEL L. TUSHMAN and ELAINE ROMANELLI

In this paper the authors propose what they call a 'punctuated equilibrium model of organizational evolution'. They use literature from multiple perspectives, rather than a specific piece of research of their own, to both clarify and support their model. This brief review will explore the meaning the authors attach to this model. In doing so the format of this section will essentially follow that used by the authors. Firstly, the basic ideas, terms and logic of the model will be presented. These are further elaborated in the second section where the authors present a set of propositions which formalize the basic tenets of their model. The third section will be a brief summary of the proposed model along with what the authors' suggest are the research, theoretical, and methodological implications of their model. Finally the model will be summarized as a basis for later trying to understand the change process of the organization studied in this thesis.

Understanding Organizational Evolution: Convergence, Reorientation and Executive Leadership.

Convergence

The authors take as a logical starting point for their model the start of a new firm. Based on perceived constraints and opportunities in the environment, founders make basic decisions about what business the firm is in and how it will compete. Such decisions with respect to products/services, markets served, technology used, human resource management

and competitive orientation define a firm's strategic orientation. It is argued that this orientation is supported by a complex set of economic and political/social behaviours and activities. At the economic level, organizations must be externally effective and internally efficient. At the socio-political level organizations must achieve external legitimation in social, business, legal and regulatory domains; as well as internal legitimacy from its human resources. It is argued that behaviours and decisions at each of these levels must be successfully addressed in order for the firm to survive and outperform its competitors. Within the context of this political-economic framework the authors propose five critical, hierarchically ordered and interrelated activity domains that characterize organizations as they pursue or 'work out' a strategic orientation:

(1) **Core values and beliefs** regarding the organization, its employees and its environment set constraints as to where, how and why a firm competes.
(2) Business unit **strategy** defines the nature of the products/services produced, markets served and establishes general competitive timing and technological constraints.
(3) Intra-organization **power distributions** control the allocation of resources.
(4) The organization's **structure** formalizes hierarchy, role relations and competitive emphases.
(5) The nature, type and pervasiveness of **control systems** indicate the firm's emphasis on efficiency.

Whilst this strategic orientation is intended by the founders, the authors note that subsequent strategic orientations may develop as a consequence of unintended or

emergent interactions among these activity domains. Also the degree to which the orientation is explicit may vary between organizations. However, even where it is not explicit, the authors argue that it can be described by patterns in core organization activities.

Appropriate activities at the political and economic level and achieving consistencies in and among the organization's activity domains results in successful organizational performance. It also results in the development of structural and socially-anchored inertia:

> 'As webs of interdependent relationships with buyers, suppliers and financial backers strengthen, and as commitments to internal participants and external evaluating agents are elaborated into institutionalized patterns of culture, norms, and ideologies; the organization develops inertia, a resistance to all but incremental change. These emergent social and structural processes facilitate convergence on a strategic orientation through the enforcement of norms that constrain the premises of participants' behaviours', (p.177).

Therefore whilst facilitating the successful pursuance of a strategic orientation, these processes may also begin to impede (although not preclude in the authors' opinion) a firm's ability (1) to reassess its strategic orientation; and (2) even with a reassessment, initiate a strategic reorientation that would disrupt the networks of interdependent resource relationships and value commitments. As such there is a momentum toward convergence; defined as a 'process of incremental and interdependent change activities

and decisions which work to achieve a greater consistency of internal activities with a strategic orientation, and which operate to impede radical or discontinuous change', (p.178).

Reorientation

Whilst emphasizing the inertial properties of convergent periods, basic to Tushman and Romanelli's model is that organizations can and do undergo rapid and radical transformations of their strategic orientations and supporting values, power systems, formal structures and controls. The authors suggest two basic forces for such change:

> (1) Sustained low performance resulting from a lack of consistency among the activities at the political and economic levels, irrespective of the appropriateness of the overall strategic orientation.
> (2) Major changes in competitive, technological, social and legal conditions of the environment that make the existing strategic orientation, regardless of its previous success, no longer effective.

As such, whether anticipated or actual, performance pressures are the most basic forces for this type of dramatic change. When there are simultaneous and discontinuous shifts in strategy, the distribution of power, the firm's core structure, and the nature and pervasiveness of control systems, this is defined by the authors as a **reorientation**. Reorientations that also involve a discontinuous shift in the firm's core values and beliefs are defined as **re-creations**.

The authors therefore argue that organization evolution is, then:

> 'composed of sets of convergent periods punctuated by strategic reorientations (or re-creations). After the founding convergent period, each successive period is affected by prior convergent periods...history, in terms of the understandings and interpretations of previous convergent periods and reorientation crises, provides the context within which current reorientations and convergent periods operate',(p.180).

Their model of organizational evolution is driven by 'two conflicting forces: internal and institutional pressures for incremental change and inertia, and pressures of low performance that emerge from disalignments (whether anticipated or realized) with environmental requirements'.

Executive Leadership

Tushman and Romanelli argue that whilst middle and lower level management can sustain convergent periods under the premises of the existing strategic orientation, it is only executive leadership that can mediate between the forces for convergence and change to initiate the set of discontinuous changes required for a strategic reorientation. However, it is argued that because executives themselves, through their personal commitments and interdependencies, may be constrained in their perceptions by the same inertial forces of the convergent period, that reorientations and re-creations will occur most frequently only after a sustained performance decline and will be most frequently initiated by outside successors.

The Punctuated Equilibrium Model of Organizational Evolution: Theoretical Propositions

In the body of their paper the authors develop a set of theoretical propositions in relation to their proposed model (see Table 1). It is not seen as valuable to reiterate this material in detail but rather offer a basic summary as a means to further clarify the core elements of the model presented above.

The authors argue that organizations develop from an initial explicit or emergent strategic orientation based upon founding decisions and behaviours around core values, strategy (in terms of products, markets and/or technology), power distributions, structures and control systems made with respect to perceived constraints and opportunities. Reviewing population ecology, industrial organization economics, and research strategy they note that whilst each emphasize different elements, each emphasizes the performance consequences of achieving a 'fit' or consistency between environmental demands and strategic orientation. As such the authors argue that for any specific set of environmental conditions, the more effective organizations will achieve a satisfactory fit. Those organizations that do not achieve both internal and external consistencies will be outperformed (Proposition 1).

As organizations grow and age the internal coordination requirements and external requirements for accountability are associated with increased structural and social complexity, interdependence and commitments, along with standard procedures which together become self reinforcing. These develop into emergent inertial processes that operate to maintain the status quo and resist fundamental change

Table 1. Organization Evolution: Theoretical Propositions by Tushman and Romanelli (1985)

Convergent Periods and Forces for Inertia

1. High-performing organizations evolve consistencies both among activity domains that support a strategic orientation and between the strategic orientation and external environmental conditions.
2. Internal requirements for coordinated action and flows and external requirements for accountability and predictability are associated with increased social and structural complexity.

2A. Increased social and structural complexity engenders patterns of interdependence among activity systems which promotes further convergence upon an established strategic orientation and resistance to fundamental change.

3. The larger the organization, the greater its structural complexity and interdependence, and the greater the emphasis on incremental as opposed to discontinuous change.
4. The longer the convergent period, the greater the social complexity and interdependence, the greater the emphasis on incremental as opposed to discontinuous change.
5. The more turbulent the convergent period, the less the social and structural complexities, the greater the internal dissensus and the less the multilevel resistance to fundamental change.
6. Holding the external environment constant, the longer and less turbulent the convergent period, the more effective the organization.
7. Within convergent periods, more effective organizations will have a complimentary set of senior management skills, a stable executive team, a reliance on sequential internal promotion patterns, and on incremental substantive change managed by middle and lower level management.

Forces for Reorientation and Metamorphic Change

8. Product class characteristics evolve from substantial technological, user and institutional uncertainty and resource liberality as a product class niche opens, to technological, user, and institutional certainty and resource illiberality as the product class matures and declines.

8A. Product class characteristics evolve through periods of incremental change punctuated by discontinuous changes sparked by (a) the emergence of a dominant design; (b) the emergence of a substitute technology or product; and (c) major legal and/or social changes.

9. Sustained low performance and/or major changes in the balance of power in an organization may disrupt the negotiated order, affecting the definition of performance objectives and motivating a change in strategic orientation.

10. Organizations evolve through periods of incremental change (convergent periods), punctuated by reorientations which lead, in turn, to the following convergent period.
11. Reorientations will be triggered by sustained low performance, major shifts in the distribution of power within the firms, and/or by discontinuous changes in product class conditions.
11A. The emergence of a dominant design and/or major legal/social events will be associated with reorientations, while re-creations will be most frequently triggered by substitute products and/or technologies.
12. The longer and/or more successful the prior convergent period, the greater the inertial forces, the greater the degree of turbulence and risk of failure associated with a reorientation. These degrees of turbulence and risk of failure are accentuated in re-creations.
13. The greater the rate of change in environmental conditions, the greater the frequency of reorientation.
13A. High-performing organizations will have reorientations corresponding to environmental conditions. Low-performing organizations will either not reorient or will reorient too frequently.
14. Organizations do not evolve through a standard set of stages. Rather, organizations may reach their respective strategic orientations through systematically different patterns of convergence and reorientation.
14A. High-performing organizations have longer and less turbulent convergent periods than low-performing organizations, and have reorientations which correspond to product class discontinuities.

Convergence and Reorientation:The Role of Executive Leadership

15. The dominant role of executive leadership switches from symbolic behaviour and incremental substantive change during convergent periods to major substantive and symbolic change and activities during reorientations.
16. The decision to initiate a strategic reorientation is shaped by the length and success of the prior convergent period and by demographic characteristics of the executive team. The longer and more successful the prior convergent period, the more homogeneous and stable the executive team, and the greater the executive team's ownership of the firm, the less likely will they initiate a strategic reorientation.
17. Reorientations are most frequently initiated through external executive succession of multiple members of an executive team, but are more effectively implemented by internal executive leadership.
17A. Characteristics of new executives and recruitment patterns discriminate between more and less successful convergent periods following a reorientation.

(Propositions 2, 3, 4). These processes give rise to convergent periods around a particular strategic orientation; the greater the convergence and the less the turbulence the better the performance (Proposition 5). As such, inertia is seen as a functional organizational characteristic in stable and predictable environments (Propositions 6, 7).

The authors argue, however, that environments do change as product classes (driven by demand, technology, users and institutional conditions) evolve. Environmental change poses systematically different strategic contingencies over time (Proposition 8). Internally, significant changes in the distribution of power may result in a shift in performance criteria and/or a shift in the organization's strategic orientation (Proposition 9). Such environmental and politically based forces for change run counter to the inertial forces for stability. Where the former forces are strong enough (Proposition 11) the convergent period is punctuated by a reorientation (Proposition 10), and where the convergent period has been both long and successful there is a greater chance of failure for the reorientation (Proposition 12). The frequency of reorientations depends upon the rate of change in environmental conditions and the performance level of the organization (Proposition 13). It follows that organizations do not therefore all develop following the same standard set of stages (Proposition 14).

As noted in the first section, whilst external conditions are important Tushman and Romanelli also point to the role of executive leadership in perceiving inconsistencies and for taking appropriate action. They argue that direct executive leadership is required because internal inertial forces operate to maintain the status quo (Proposition 15).

This might best be achieved by the existing executive, however they may be unlikely to initiate a strategic orientation (Proposition 16) and as such many reorientations are executed by new executives (Proposition 17).

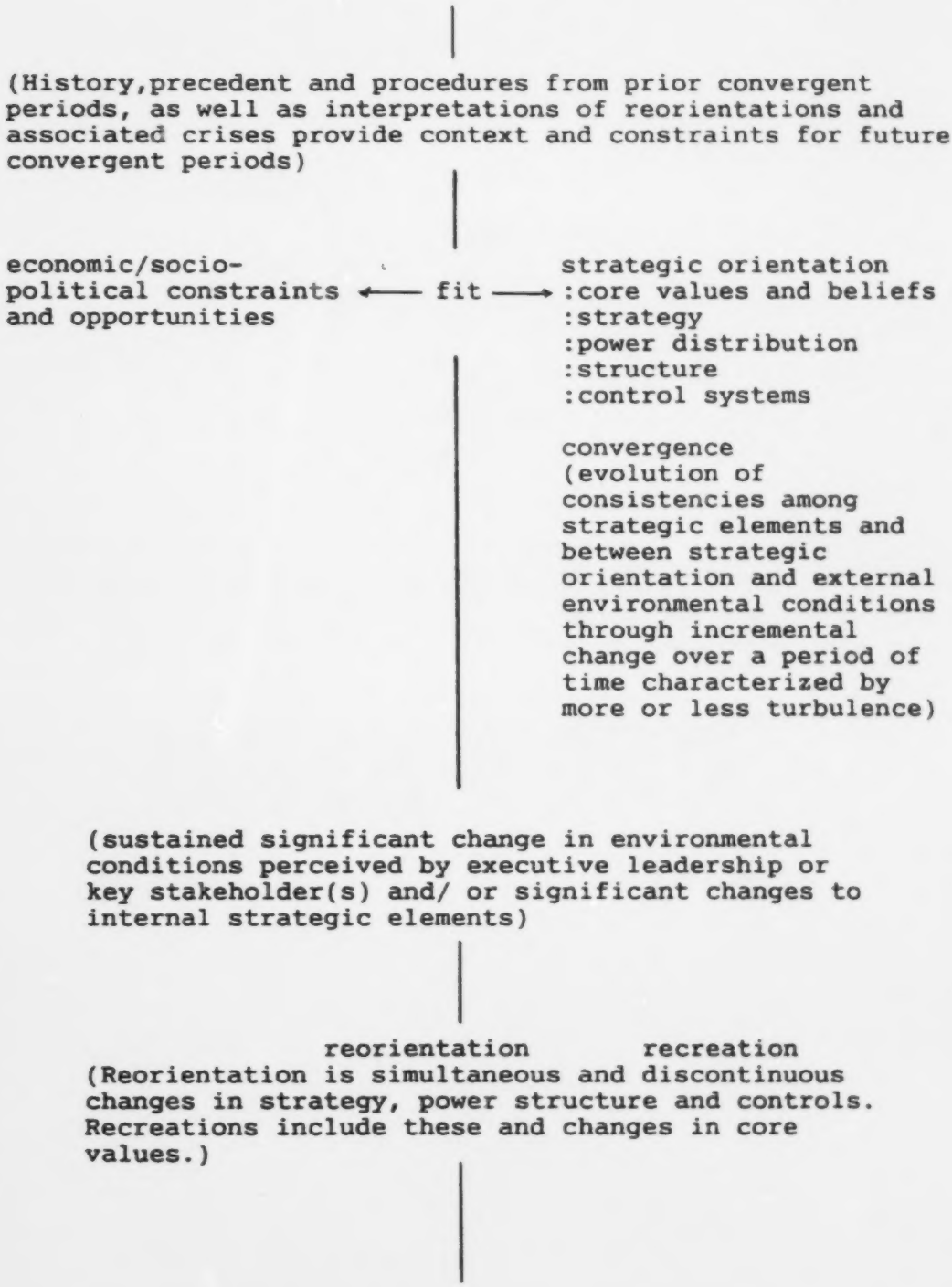
Summary of Framework

The framework's bare skeleton is described in Figure 1 and supplemented by a review of the authors' seventeen propositions. In this Figure, as with the others that will follow, the vertical lines are meant to convey the temporal sequence of strategic organizational change. The authors note that they have 'developed a model of organizational evolution based on a simultaneous consideration of forces for stability, forces for fundamental change, and the role of executive leadership in mediating between these forces'. It is argued that organizations develop through convergent periods punctuated by strategic reorientations (or recreations), 'they evolve through the interaction of internal convergent forces for stability and external forces for change as mediated by executive leadership'. These major changes are either proactive responses to changing competitive conditions or the result of crises which follow sustained periods of economic decline.

In conclusion, Tushman and Romanelli argue that this period based model:

'provides clear direction for research on organizational evolution. Because political, technological and economic conditions of the external environment are so important in the evolution of firms, and because these conditions vary across industries, research on organizational evolution

Figure 1. Tushman and Romanelli's Framework for Organizational Evolution


(History,precedent and procedures from prior convergent periods, as well as interpretations of reorientations and associated crises provide context and constraints for future convergent periods)
economic/socio-political constraints and opportunities
fit
strategic orientation
:core values and beliefs
:strategy
:power distribution
:structure
:control systems
convergence
(evolution of consistencies among strategic elements and between strategic orientation and external environmental conditions through incremental change over a period of time characterized by more or less turbulence)
(sustained significant change in environmental conditions perceived by executive leadership or key stakeholder(s) and/ or significant changes to internal strategic elements)
reorientation
recreation
(Reorientation is simultaneous and discontinuous changes in strategy, power structure and controls. Recreations include these and changes in core values.)

must compare alternative fates within industries. Because an organization's prior patterns of convergence and reorientation set the stage for current behaviour, research on evolution must capture these historical processes through longitudinal research designs', (p.215).

3. A SUMMARY OF 'THE ICARUS PARADOX: HOW EXCEPTIONAL COMPANIES BRING ABOUT THEIR OWN DOWNFALL' by DANNY MILLER (1990)

This study examines the evolutionary process of apparently successful companies losing their competitive edge and suffering serious decline. Miller and his associates identified four distinct yet common 'trajectories' that converted strong companies into declining ones. The trajectories are described as follows:

> The focusing trajectory describes punctilious, quality driven organizations with an 'engineering' culture and orderly structure and turns them into rigid, technocratic perfectionists who tinker with their technology such that they alienate their customers with perfect but undesired products or services.
>
> The venturing trajectory describes growth-driven, entrepreneurial companies, managed by imaginative leaders and creative planning and financial staffs and turns them into organizations that over stretch their resources through expansion into businesses they know nothing about.
>
> The inventing trajectory describes innovative, R&D focussed, flexible operations that turn into high-tech escapism in pursuit of hopelessly futuristic inventions.
>
> The decoupling trajectory describes the transformation of sales oriented organizations with strong marketing skills, prominent brand

> names, and broad markets, into aimless, bureaucratic organizations whose sales focus produces an indifferent product or service.

Miller and his associates found that in successful organizations their elements had **configured** together into a unified whole expressing a dominant theme. Once a theme emerged -a core mission or a central strategy, for example- routines, policies, tasks, and structures developed to implement and reinforce that theme. The origin of the theme might be the leaders vision, the values and concerns of powerful departments, or even common industry practices. The four trajectories described above arise from four common configurations uncovered by their research and which they termed Builders, Craftsmen, Pioneers, and Salesmen reflecting the above four trajectories. The second element of their findings was that successful organizations keep extending their themes and configurations until something major stops them, they call this process **momentum**. They argue that organizations perpetuate and intensify one particular theme above all others whilst actively suppressing any variants. Choosing one set of goals, values, and champions, they focus on these more and more tightly. Those in power increase power and opposition is weakened as the organization moves toward consistency, then toward obsession and excess. As such they argue that one might expect that 'outstanding firms will extend their orientations until they reach dangerous extremes; their momentum will result in ... trajectories of decline'.

Research Strategy

The research strategy used by Miller and his colleagues involved three basic steps. First, they identified some

successful strategic configurations based on their previous research. Next they looked for successful firms that conformed to each of them. Lastly, they tracked the histories of these organizations to see what happened to them.

In developing the configurations they used as a starting point Porter's, Competitive Strategy and his three generic strategies of cost leadership, differentiation and focussing. However they felt that the generic strategies were too gross for their purposes. In particular the differentiation category appeared to include some very different strategies. Miller therefore built on this base, identifying at least three different types of differentiation strategies, each needing a quite different set of organizational skills and activities, (Miller 1988; Miller, 1987). Their initial list had five potential configurations:

- differentiating products through constant innovation and R&D, (the 'pioneering' strategy);

- differentiating products through image, service, and aggressive selling, (the 'salesmanship' strategy);

- differentiating products through durability and dependability, (the 'craftmanship' strategy);

- cost leadership;

- a strategy of financial entrepreneurship, expansion, and acquisition, (the 'building strategy).

In the final draft cost leadership and the 'craftmanship'

strategy were merged based on further research pointing to a close similarity between the two. The final four configurations are seen by Miller as representative rather than exhaustive. He acknowledges that there are doubtless numerous other configurations, and that many firms will therefore fail to fit his suggested configurations.

Based on budget and time constraints, in developing the sample of organizations they decided to track 8-10 companies per configuration that met the following criteria:

- the companies had grown faster and more profitably than their major competitors for at least three consecutive years;

- the companies were well enough known to have been written about.

Miller acknowledges that this is not a random sample but rather more of a 'convenience sample'. However he does note that despite the clear bias in trend of performance the sample was not constrained to fit with the momentum hypothesis. From his perspective he notes that performance decline could just as easily have been associated with reversing strategies, policies and cultural values rather than extending or intensifying them.

In assigning the firms to one of the four configurations Miller used two colleagues described as 'professors with PhDs in management who were avid readers of the popular business press'. They were asked to read the descriptions of the four successful configurations and then classify a preliminary list of outstanding firms, each firm considered within a given time frame of its history, into one of the

types, or to relegate them to a class of 'no particular type'. The raters were given articles and books for the period in question for those organizations they were unfamiliar with. One rater is reported as classifying 92% of the organizations the same way as Miller did; the other, 84%. His research included only those cases that were classified the same way by all three of them.

Finally in tracking the histories of these organization Miller obtained information about the organizations through the Business Periodical Index and the business history section of the McGill University Management Library. Using this material mini histories were compiled based on the categories of 'strategy'(including sub-categories of 'marketing' and 'quality'); 'culture', 'leadership'; and 'structure' (including the sub-category of 'bureaucracy'). Miller notes that the sub-categories were 'suggested by the content of the cases'. In using the material Miller reports that he first made notes on the qualities of the firms and then on the changes that occurred in each of the firms.

The main focus of his work are those companies whose performance deteriorated. He tracked organizations 'in each of the four configurations from the time they first became successful until (1) the present; (2) bankruptcy, merger, or Chapter 11; or (3) they addressed their problems in an effort to recover'. The organizations that did not decline are labelled 'trajectory avoiders' and form the basis for his recommendation of how to successfully manage each of the four trajectories.

Miller concludes his discussion of his research strategy as follows:

'This book is a tentative exploration of our thesis, not a rigorous scientific study; it serves not to prove a theory but to put the flesh of anecdote on the bones of hypothesis. It also relies on qualitative historical narrative instead of quantitative measurement; it uses a biased sample; and it leans heavily on the idiosyncratic interpretations of an all-too enthusiastic author. Still, it does present some potentially fascinating patterns in the troubled evolution of outstanding organizations-patterns that I hope others will now be able to research more systematically',(p.275).

A Theory of Strategic and Operational Change and Research Findings

Developing a theory of strategic and operational change

Miller developed his descriptions of the four trajectories based on his research findings. Each of the four trajectories and their underlying research findings will therefore be briefly reviewed followed by a review of the perceived forces behind these trajectories and how they might be managed.

In discovering the focusing trajectory Miller found two principal types of 'craftsman' strategies:

(1) Quality leadership- trying to perfect their products in the quest of the best in durability, reliability and performance. Because of their obsession with quality Miller also notes that this prevents them from being leading

innovators as they are focussed upon the perfect product. Additionally they use selective marketing as they are generally unable to compete on the basis of either low prices or mass marketing. This type of craftsman was based on the studies of such companies as DEC, Caterpillar Tractor and Walt Disney Productions.

(2) Cost leadership- making no frill products ever more efficiently,standardized, with extremely efficient operations that make design changes impossible. Because of their fixation with costs these also will not be leading innovators. Too many expensive changes in the methods of manufacture would eliminate their cost advantage. The 'cost leader' emerged from the study of companies such as TI, Eastern Airlines and the retailer Montgomery Ward.

All of the above companies had other elements in common. In the area of leadership and culture they tended to have very strong CEOs who created corporate cultures that institutionalized their personal values so that they became a way of life for employees throughout the organization. Miller describes 'training and indoctrination' at Walt Disney and Caterpillar; 'team spirit' emphasized at TI and Caterpillar; as well as 'initiative,responsibility and involvement' being key ideas for TI and DEC. In the development of structure, (such as the organization's distribution of power, its rules and regulations, hierarchy, allocation of responsibilities, information, control and coordination systems), their ability to pursue their craft effectively but in a way that did not destroy initiative was ensured.

These elements together led to the development of highly successful organizations. But it is argued by Miller that

the very elements that brought them their success also were factors in their move from what he called 'craftsman' to 'tinkerer'. The success reinforces and amplifies current strategic tendencies to extremes. As such with respect to strategies, the companies develop quality without it being desirable to their customers (DEC, Caterpillar and Walt Disney); or their emphasis on cost leadership becomes a destructive parsimony (Eastern Airlines, Disney and TI); and due to either of the above strategies taken to extremes their product lines and services become dated showing a poor understanding of their markets, made worse by poor marketing skills. The initial success of their leaders turns into over confidence, a sense of invulnerability and infallibility. The leaders become excessively controlling (TI, Montgomery Ward); managing by intimidation (TI, Montgomery, Eastern Airlines, Walt Disney). Successful values become codified into rigid policies. Structures become over bureaucratized and centralized.

In summary Miller reports that initial strategies are amplified until they become narrowly focussed and irrelevant, tinkering with details takes the place of product market renewal; what was once a gradually evolving product line becomes stagnant with increasing risk of obsolescence. Simultaneously there is a transformation in leadership, culture and structure to a dysfunctional rigidity.

In describing the venturing trajectory, Miller notes that all 'builders' progress sequentially through two specific phases. First foundation building, where they create a strong basis for growth by establishing a viable organization. In the next phase they boldly expand and diversify, often through acquisition. In the words of Miller

the 'builder' becomes the 'imperialist', over taxing resources, over burdening executives and administrative structures, spawning a slew of operating problems.

The strategies used by the 'builder' are twofold. Building the foundation through either: core creation -where the founding entrepreneur conceives a product market strategy and musters the capital and resources to create a new business (IOS, Dome); core enhancement -where the owner/entrepreneur purchases a small existing organization and enlarges it by rejuvenating its product lines and modernizing operations (Litton, Automatic Sprinklers , Gulf Western); or core revival -performed in a large and ailing organization by a non-owner manager who cuts dead wood, rationalizes operations and renews product lines (Addressograph-Multigraph, ITT). In all three varieties of foundation building there is a focus on the big picture, attentic to financial strategies and action. The action is growth oriented with an emphasis on diversification, both related (Dome, Automated Sprinkler) and unrelated (ITT, Gulf Western); as well as on the use of creative financing strategies.

Such companies are led by high energy, big picture, entrepreneurs. There is a supporting growth culture based on a meritocracy strongly financially motivated, workaholism, with a pride and optimism in a sink or swim atmosphere. Miller found divisional structures to be the norm with centralized policy making and decentralized operations (ITT, Dome and Litton), sharp intelligence systems (Litton, ITT) and analytical decision making (Addressograph-Multigraph).

As in the first trajectory the successes become the basis for excesses.'Building' strategies become destructive

'imperialist' strategies with hyper-expansion (Dome, Automated Sprinklers and Addressograph-Multigraph); diversification into areas of ignorance (Litton, Gulf and Western); a neglect of strategic details (Litton, Addressograph-Multigraph, ITT); and financial risk taking and extravagances (Dome, Litton and ITT).

Based on their success leaders become arrogant and the over expansion leads to chaos through lack of control, overloaded structures and systems and a ritualistic bureaucracy rather than effective managerial control and grasp of key issues.

The inventing trajectory describes the route of the 'pioneer' to the that of an 'escapist'. The initial successful strategies are characterized by Miller as 'taking the lead' in creating a completely new market but using existing technologies (Federal Express, Apple); by expanding an existing market using new technology (Polaroid); or by moving into existing markets using bold technical innovations (Control Data). There is an emphasis on staying in front; targeting a well defined market, keeping marketing focussed (Federal Express) and production flexible.

Such companies are generally led by visionary leaders who develop R&D cultures with organic structures and risk taking decision making.

The transition to an 'escapist' is described by Miller as 'all teched up with no where to go', where invention has become an end in itself. The companies get involved in mega-development projects based upon their past successes that drain resources, are high priced and require a long pay back period. Products or services can be ahead of their time (Federal Express), new products and services proliferate and

are often incompatible with existing lines (Sun Microsystems); over reaching technical developments lead to delays, errors and cost over runs; marketing becomes under supported or unrealistic. All of this is exacerbated by mounting competition and imitation. The 'visionary' leader becomes the 'missionary' leader on a sacred mission. Excessive informality and poor controls breed chaotic structures.

Finally in the **decoupling trajectory** Miller describes the transition of the 'salesman' to that of the 'drifter'. The salesman's strategies focus on image differentiation: attractive styles and designs (General Motors, Proctor and Gamble); along with excellent service (IBM), courteous personnel and ethical sales policies (A&P, Sears). The above is supported by brilliant marketing. Auxiliary strategies include not being the first to market (they are salesmen not pioneers), developing full lines, often using backward integration to ensure quality; and they are highly sensitive to markets.

Their leadership is described by Miller as that of the 'organization man' with a legacy of strong cultural values and professional administration (Sears, IBM, A&P, P&G). They will have decentralized operations with coordinated control; within this structure there is a level of corporate entrepreneurship accompanied by careful analytical decision making.

The transition to 'drifter' begins when their strategies start to lead to product proliferation such that product lines become diffuse, disjointed, decoupled. There is a perceived drift away from the realities of the market place with an emphasis on image versus the product; marketing

versus design, R&D and engineering. Products and services are perceived as stale and unresponsive (GM, IBM), or of poor quality (GM, Sears).

Leadership becomes remote and complacent. Cultures lose their identity; warring, political divisions become established. The structures become oppressive with cumbersome bureaucracies; controls without the context of a clear strategy; insular decision making and confused decentralization.

Within the context of the present study the key point of interest here is Miller's identification of a driving force, a momentum toward extremes. Within his four trajectories the companies extend and amplify initial strengths and values whilst extinguishing characteristics perceived as secondary or unimportant .For Miller the 'momentum stems from many interrelated forces that shape the lenses through which managers view the world and which are embedded in the cohesive cultures, structures and processes of outstanding companies',(p.173). To Miller these represent 'closed systems" that are enormously difficult to combat from the inside of the organization.

Miller argues that the genesis of these extremes stem from both singular and configured factors. He identifies leadership, culture, structure and processes as specific contributing factors.

Leadership naturally takes on what Miller describes as the 'lenses of experience'. These are the cognitive structures that dictate what managers perceive, ignore and how they interpret. They are the established set of values, assumptions, beliefs formed by the collective experience of

the senior management team. The initial success of these companies reinforces these cognitive structures. A second element impacting on leadership is that of 'unintentional learning'. Miller argues that managers learn implicitly to favour specific strategies, processes and methods without being consciously aware that they have done so, let alone why they have done so. As such a repertory of less than flexible concepts and behaviours become deeply embedded within the organization. Miller points to the reality of 'single loop learning' (Argyris and Schon, 1978) where organizations compare their performance to a set of pre established standards and try to make appropriate adjustments. However these organizations do not practice 'double loop learning' where they complete a periodic re-assessment of their established standards to ensure that they remain relevant. Finally, past success breeds over confidence; managers search for external data that supports rather than disconfirms their strategies; they build personal and organizational defence mechanisms that prevent perception of problems that would contradict their chosen strategies.

At the level of organizational culture early values upon which the successful company was built become deeply embedded. For many organizations these can be embedded in a single, dominant, monolithic culture that excludes potentially healthy alternatives. "Escapists' are taken over by R&D cultures; 'tinkerers' by a production-engineering culture. A culture that actively selects and rewards skills that implement current strategies based on past successes. Miller argues that the 'how' of doing things is reinforced and developed, but that the 'why' is suppressed.

With respect to structure, confining programs and routines

restrict the range of things about which managers think and respond. The routines reinforce existing policies and activities, recognizing only anticipated problems, suggesting only conventional courses of action, supporting only innovation that fits with the organization's established ideology and strategies. Also Miller points out that because of the established and stable power structures there is an inevitable political inertia. Goals, strategies and power are so tightly interwoven that an inertial power structure effectively prevents major reorientations from taking place.

Turning to processes, under which Miller includes organizational learning, decision making and managing relationships with the environment, he points to selective intelligence gathering systems and channelled decision making. Building on Weick's (1979) argument that 'organizations create and constitute the environment to which they react', Miller points to buffering from markets (through backward or forward integration); the development and reinforcement of 'closed systems'; a cognitive environment within the organization that chooses which aspects of the environment to attend to.

For Miller these individual factors tend to cohere to produce integrated, thematic configurations. He argues that these configurations or archetypes resist reorientation for a number of reasons. They are shaped by a consistent 'theme' that strongly channels strategy, culture and the structure of a given organization. The 'theme' determines standards of success, what information is attended to and how that information is interpreted. Secondly the configurations are closely tied to established political interests. Thirdly, as already noted, the attributes of the configuration are

mutually reinforcing. Finally the elements that were important to success are costly to dismantle.

In the concluding chapters of his study Miller addresses the issues of avoiding, turning around and managing the four trajectories. The icarus paradox is that excellence demands focus, dedication and a cohesive configuration but that these very elements are the factors that lead to momentum, narrowness and excess. To avoid the pitfall of the paradox Miller recommends first building thematic, cohesive configurations but also encourage managers to reflect broadly and deeply about the direction of the company. Secondly that the company scans widely and assiduously monitors performance but also conduct counter intuitive scanning, commit to gather and analyze information from a wide range of sources. Thirdly build on past successes but where possible decouple renewal activities from established operations at least for a while.

In reviewing a strategy for completing a turnaround Miller refers to the established strategy of unfreezing, changing and then refreezing the organization. The actual management of the trajectories is captured in a series of basic prescriptions of what action to take contingent upon the problems associated with the trajectory.

As such to manage the focusing trajectory Miller identifies the problems as: intolerant leadership and monolithic cultures; centralized, over bureaucratic structures; blindness to markets; narrow focus:destructive parsimony or irrelevant quality; outmoded product lines; lacklustre marketing. The recommended action as: open up cultures to new blood and different values; loosen structural strictures; scan market and competition to

increase scope; diversify out of stale areas; boost innovation; market more aggressively.

To manage the venturing trajectory the problems are identified as: few distinctive competencies; overwhelmed, fragmented structures; overexpansion; excessive diversification; overtaxing of resources. The recommended action as: recruit talent in R&D, marketing, and production; establish coordination and control systems; sharpen focus and divest of 'dogs'; create strategic competence; revive core business.

For the inventing trajectory the problems are listed as: blind, utopian cultures and chaotic structures; new product proliferation; irrelevant technology; extravagant mega-projects; and marketing myopia. The action: empower and heed marketers, accountants, and production people; establish coordinative devices and controls; tailor inventions to a well-defined market; broaden the market focus; market more aggressively; and scale down mega-projects and economize.

Finally with respect to managing the decoupling trajectory, the problems: remote leadership; bland cultures; fragmented, politicized structures; image replaces substance- poor quality; antiquated product lines; proliferation of lines and loss of focus. Action recommended: define overall strategy and set goals; push initiative to lower levels; improve coordination and control -without bureaucracy; improve quality; update lines; focus lines; and make marketing more responsive.

Summary of Research Findings

The findings reported in Miller's book 'The Icarus Paradox' can be summarized in the idea that outstanding organizations sow the seeds of their own downfall through their success. This finding has essentially been fully reported in the first section of this review. However in developing a more complete understanding of his findings this section will review the broader context of his research. The ideas reported in this book emerged only gradually during the course of Miller and his colleagues' research. Over a fifteen year period they conducted studies involving more than 250 companies, (see Miller & Friesen, 1984; Miller 1986, 1988). Their research findings centred on the three notions described above: configuration, momentum and failure as a variant of success.

For Miller central to the notion of configuration is 'fit and harmony':'as soon as a theme becomes prominent -an overriding mission or a core strategy, for example- many other aspects of the organization such as culture and structure begin to reflect and reinforce it',(p.267). As such this cohesiveness makes configurations hard to change.

Miller and his colleagues wanted to know what generated such configurations. Their studies pointed to multiple sources: leaders, strategic commitments, embedded structures, cultural values, competition, customer pressures, and common industry practices. In short configuration can be shaped by forces inside and outside of the organization.

Further their statistical studies of many companies found that some configurations were extremely common centring on product innovation, efficiency, marketing prowess, and

financial entrepreneurship.

Miller argues that the configurations suggest that organizations are best understood as 'complicated, thematically integrated systems, many of whose qualities are closely interdependent. Secondly, he argues that we must pay attention to organizational differences because the configurations vary so much. The research reported in the first section of this chapter builds on this early research.

Their early work on configurations made them interested in how organizations changed; reasoning that if an organization's qualities were coordinated by an enduring central theme,then so might be their evolution. Miller's research reports a powerful tendency for organizations to keep moving forward in the same direction. That is change in an organization would be usually characterized by **momentum**

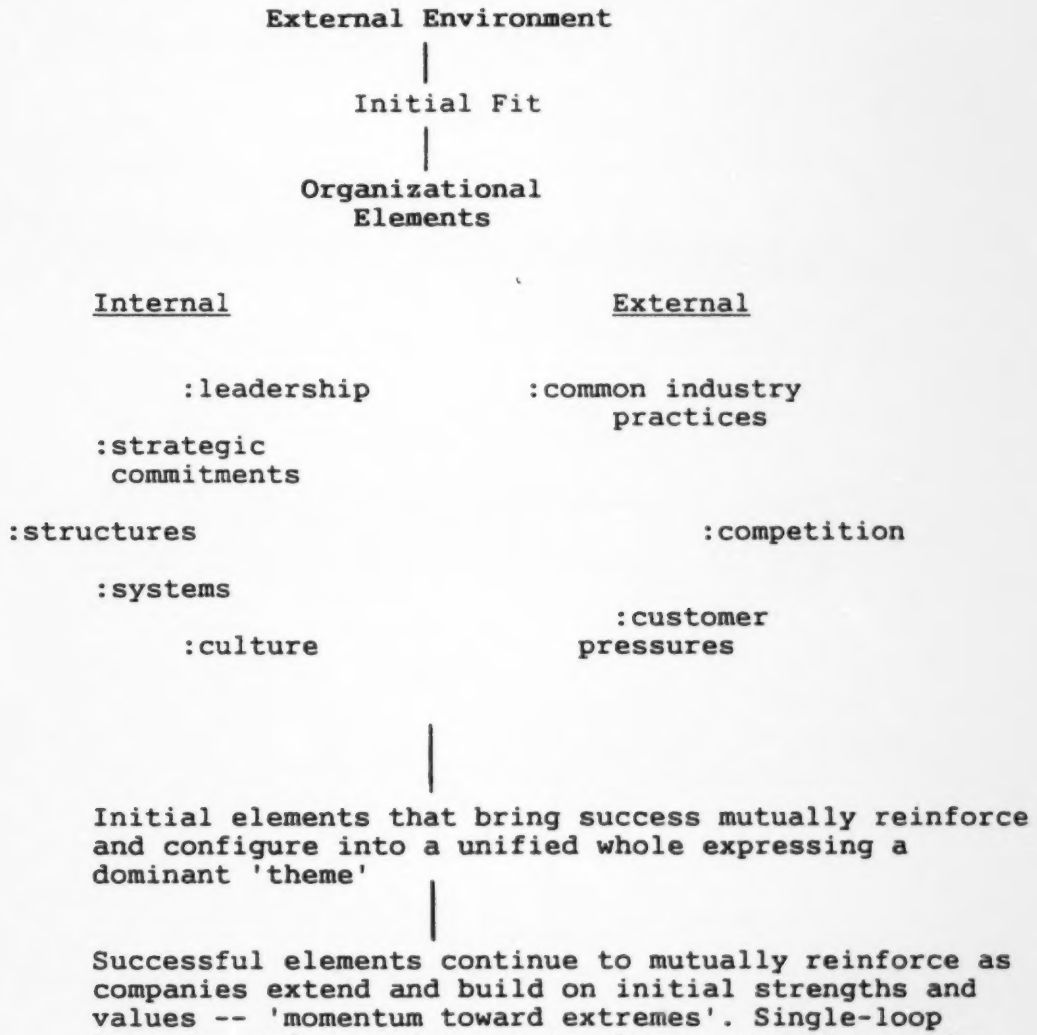
Finally Miller's early research suggested that successful configurations appeared similar to unsuccessful ones but that the latter exhibited more extremes and devoted less time to intelligence gathering. Hence the notion of **failure as a variant of success.**

These three notions are reflected in the current piece of research under review.

Summary of Framework

The body of his findings have been reported in the first section of this chapter as I have summarized Miller's theory of strategic and operational change. His findings stated simply are that, 'firms in successful configurations will

Figure 2. Miller's Framework for Organizational Change In Successful Companies


External Environment
Initial Fit
Organizational Elements
Internal
External
:leadership
:common industry practices
:strategic commitments
:structures
:competition
:systems
:customer pressures
:culture
Initial elements that bring success mutually reinforce and configure into a unified whole expressing a dominant 'theme'
Successful elements continue to mutually reinforce as companies extend and build on initial strengths and values -- 'momentum toward extremes'. Single-loop learning and a resistance to change support momentum

extend their orientations until they reach dangerous extremes; their momentum will drive them along common trajectories toward related unsuccessful configurations'.

With success various initial elements perceived as associated with that success are naturally reinforced. Miller's framework suggests that these elements gradually start to 'fit' or cohere together to produce an integrated thematic configuration whose qualities are mutually interdependent (see fig.3). Companies naturally extend and amplify these initial strengths whist gradually eliminating characteristics perceived as secondary or unimportant. Of importance amongst the successful elements are the established values, assumptions and beliefs formed by the collective experience of the senior management team. The initial successes reinforces these cognitive structures and as structures, systems and culture cohere together with them the elements become self reinforcing within what gradually becomes almost a 'closed system' providing only a narrow and selective view of the outside world. This momentum is reinforced by the potential for 'single-loop learning' as described above as well as the natural resistance that develops to any change of direction. The resistance is due in part to the attachment that develops for a theme, the fact that the attributes are mutually reinforcing, constraining and costly to dismantle in any case,as well as the fact that the configuration is closely tied to dominant political interests within the organization. A political inertia develops within the organization. Hence as the internal 'fit' becomes ever more extreme there is every danger that the external 'fit' is ever more weakened. Organizations can find themselves in a trajectory that is difficult to change and potentially terminal for the organization.

4. A SUMMARY OF 'THE DYNAMICS OF STRATEGIC CHANGE' by C.R.HININGS and ROYSTON GREENWOOD (1988)

In this study the authors' interest is in reorganizations that involve a major change of structures and systems caused by the uprooting of central ideas, values and beliefs of the organization. They emphasize two central ideas, which they call (a) archetypes and (b) tracks, as crucial to their analytical framework along with four supporting ideas important to their subsequent analysis, namely (c) change and stability as two sides of the same coin, (d) institutional setting, (e) the particular historical point and (f) contradictions, incompatibilities and tensions as essential dynamics. A brief introduction to these concepts will be undertaken as a means of entering into a review of this study.

An understanding of what the authors mean by 'archetype' and 'track' is seen as an essential first step for both explaining and mapping change. The authors argue that organizations should not be conceived as loosely coupled clustering of structural properties but rather, in common with Miller and Friesen (1984, p.1), as "tightly interdependent and mutually supportive elements such that the importance of each element can best be understood by making reference to the whole configuration". That is organizational structures and systems are best understood in terms of overall patterns. From this perspective Hinings and Greenwood describe the concept of 'archetype' as "clusters of prescribed and emergent structures and systems given order or coherence by an underpinning set of ideas, values and beliefs", (p.4). A second key idea is that all organizations are in motion, changing within or between

archetypes. The concept of 'tracks' is used to provide a systematic basis for describing this motion. Tracks are about "the extent to which organizations remain over time within the assumptions and parameters of a given archetype or move between archetypes" (p.26). For the authors then the main task of organizational analysis is the exploration and mapping of the tracks followed by organizations.

With respect to the four supporting ideas, first the authors argue that the issue of whether an organizations is changing or stable is largely a matter of the span of time being examined. All organizations are perceived as changing, it is from the pace and nature of this change over a given time span that the perception of stability or change arises. The dynamic of both stability and change in organizational design archetype is seen as a process of limited choices determined by the interdependence of organizational contexts and internal organizational arrangements and processes in the form of situational constraints; interpretive schemes underpinning the organizational design; organizational interests; dependencies of power and domination; as well as organizational capacity.

Next the authors argue that organizations should not be disembodied from their institutional setting which gives meaning and parameters to both the objective conditions of the organization and its ideas. They argue that any business must be seen in the context of similar businesses in terms that at a given point in time certain ways of doing and organizing that type of business are perceived as legitimate and efficient. As such an organization is constrained in the design options perceived as viable for its particular business. Nor should the organization be disembodied from the particular historical point at which the study is taking

place. Organizations have histories which explain their current position and limit potential future actions. In using the final idea of 'contradictions' the authors argue that "an essential dynamic in producing either stability or change, and the degree of that change, is the extent to which various design elements of an organization fit within an archetype and with the precipitating pressures of situational context", (p.195). It is a lack of fit, the reality of contradictions and incompatibilities that creates tension leading to change. Let us review these ideas in some more detail prior to looking at the specific research strategy adopted for this study.

Understanding Organizational Design, Change and Stability

As noted in the introduction the principal interest of the authors is with reorganizations of such a scale that they involve and reflect the transformation of structures and systems brought about by the displacement of central ideas, values and beliefs.

A proposed key building block in their inquiry is the notion of design archetypes. First it is argued that organizational structures and management systems are best understood from the 'holistic' perspective put forward by Miller and Friesen (1984), namely in terms of the their overall patterns rather than any narrow set of organizational properties. The identification of such patterns and configurations should include the organizational structure of roles and authorities, decision systems and human resource systems seen as interdependent and mutually supportive. Further, it is argued that these elements should be analyzed from two perspectives. The prescribed perspective focuses on the 'intended' structural forms as means to achieve measurable

and predictable control of organizational performance. On the other hand, an emergent interaction perspective focuses on activities, norms of behaviour and ways of operating that are not formally prescribed. It is argued that as prescribed frameworks are only realized in practice in the day to day interactions of the organization, such frameworks must lack the ability to prescribe all possible interactions, nor do they predict new situations. This means that in reality prescribed frameworks are subject to modification and replacement by emergent frameworks.

Secondly it is argued that such patterns are underpinned by 'interpretive schemes' (Ranson et al.,1980), made up of ideas, values and beliefs. For Hinings and Greenwood a design archetype is a particular composition of ideas, beliefs and values connected to structures and systems. The latter are not seen as neutral instruments but as the embodiment of 'intentions, aspirations and purposes'. Such interpretive schemes are perceived as setting the 'frame' for:

(a) the appropriate domain of organizational operation
(b) the appropriate principles of organizing
(c) the evaluation criteria to be used by the organization to assess its performance.

As such a possible implication of interpretive schemes is that transition from one archetype to another may not be easily achieved. This does not imply no change but rather supports Miller's findings, reported above, that there is more likely to be considerable change within organizations as they adjust structures and systems to secure greater consistency and coherence with an archetype's interpretive

scheme.

The concept of tracks is a second building block aimed at providing a systematic framework for looking at organizations over time as they change within an archetype (described as an inertial track); temporarily and in a limited way move from initial coherence with an archetype which is then later reestablished (described as an aborted excursion) or not reestablished (described as an unresolved excursion); or successfully move between archetypes (described as a reorientation that is linear,oscillating or delayed). The authors describe a movement away from an archetype as involving the 'decoupling' of structures and systems (in part or in total) from a dominant underlying interpretive scheme; the movement into a new archetype involves the recoupling of those structures and systems (in total) to a new interpretive scheme.

In examining the idea of the decoupling of the prescribed and emergent interaction frameworks from an interpretive scheme the question of sequence is raised. The authors suggest four likely sequences:

> (1) A simultaneous detachment where a reorientation involves a virtually simultaneous change in prescribed and emergent frameworks and the underlying interpretive scheme. They found no examples of this sequence.
> (2) A prescribed/interpretive scheme-emergent detachment where the revitalizing (the development of a new interpretive scheme) and the prescribed reorganization precede the emergent interaction framework. This was found to be more common as might be expected following the logic of the

prescribed-emergent relationship as described above. First it takes time for emergent practices to develop in light of the prescribed plan. Secondly it allows for the possibility of resistance to the design alterations.
(3) A prescribed-emergent-interpretive scheme detachment. Here structures and/or systems are purposefully set in place that undermine the interpretive scheme. The prescribed structures and/or systems lead to emergent interactions. The resulting disruption of the interpretive scheme gradually leads to its erosion and displacement.
(4) An emergent-interpretive scheme-prescribed process where the emergent structures become decoupled from the prevailing interpretive framework whilst the prescribed continues to reflect it. The emergent interactions gradually lead to the development of a new interpretive scheme which in turn leads to the development of a new prescribed framework.

In practice the authors note that there are a number of possible sequences and that their mapping should be a matter of empirical observation.

To understand the 'why' of organizational tracks, the 'why' of stability and change in organizational design, Hinings and Greenwood suggest that it is necessary to examine five forces impacting on organizational design, namely: organizational context, interpretive schemes, interests, dependences of power and domination and organizational capacity. The first task will be to look at what the authors understand each of these forces to mean and then review their proposed relationship with the various tracks

suggested above.

'Organizational context' is understood as situational constraints arising from four principal factors: the form of ownership or accountability of the organization; the size of the organization; the technology used by the organization; and the environment in which the organization operates(including the relative scarcity or munificence of resources, as well as external ideas or industry norms as to the appropriate role and form for the organization). The later two factors are considered along the dimensions of complexity and uncertainty. The basic idea is that these contextual factors effectively constrain organizational design options in terms of the necessity of striving for organizational efficiency. As with Pettigrew, the authors see change in the organizational context as a critical, though not the only, factor in bringing about pressure for change.

'Interpretive schemes' and 'interests' are seen as constraining an organization's strategic choices. It is argued that the interpretive schemes underpinning an organization provide an ideological, values and belief framework from which responses to pressures for change are made. The authors identify four likely generic patterns of response in the form of a commitment:

(1) to the existing interpretive scheme (a status quo commitment),
(2) to an alternative interpretive scheme (a reformative commitment),
(3) that is low to both the prevailing or alternative interpretive schemes (an indifferent commitment),
(4) that is substantial to two or more interpretive

schemes (a competitive commitment).

'Interests' addresses the issue of organizations as political systems made up of various groups that jostle with other groups to sustain or obtain organizational resources of both a material and prestigious nature. Interests are seen as inextricably linked to the organizations interpretive scheme in so far as the manipulation of that scheme is seen as necessary in giving meaning and legitimacy to the pursuit of personal or group interests. At any point in an organization's history there will be dominant interests engrained and supported by the organization's structure and systems; as well as repressed interests thwarted by those same structures and systems.

These three forces (context, interpretive schemes and interests) are seen by the authors as capable of placing pressure on the organization for inertia or change. The last two forces (power dependences and organizational capability) are also seen as factors that facilitate or impede the potential scale of change. 'Dependences of power' are understood as the relative ability of groups to express and protect those meaning and interests noted above in both structural and systemic terms. The importance of power and the ability to control decision premises is seen as a key facilitator or suppressor of change. This in turn is seen as a function of the extent to which power in an organization is either relatively dispersed across a multiplicity of groups (a dispersed power structure) or focussed and concentrated within a narrowly drawn coalition or elite (a concentrated power structure). Whether 'concentrated' or 'dispersed' is a facilitator or inhibitor of change depends upon the pattern of commitment within an organization as will be demonstrated below.

Table 2. Hinings and Greenwood's (1988) Proposed Relationship Between the Identified Four Tracks and Five Forces.

	Tracks			
	Inertia/ Retention	Aborted Excursion	Reorien-tation	Unresolved Excursion
Fit with context T1	Good	Mainly Good	Poor	Partial
Fit with context T2	Good	Good	Good	Partial
Pattern of Commitment	Status quo-indifferent	Competitive indifferent	Reform -ative competitive	Competitive
Power Dependen-ces	Concen-trated (satisfied) or Dispersed (satisfied/ partial reformative)	Concen-trated (partially satisfied/ reformative) or Dispersed (partially satisfied reformative)	Concen-trated (reform-ative)or Dispersed (reform-ative)	Concen-trated (partially satisfied/ reformative) or Dispersed (partially satisfied/ reformative)
Inter-ests	High satisfaction - no change	Modest satisfaction - high satisfaction	High dissatis-faction satisfac-tion	High dissatis-faction -no change
Capacity :leader	Transaction-al	Transaction-al	Transfor mational	Transac-tional
:knowl./ skill	High	Low	High	Low

'Organizational capacity' is understood by the authors as a capacity to change. This capacity is seen as a function of its leadership and knowledge/skill base. Here leadership is categorized as either transformational or transactional (Burns, 1978). Knowledge/skill is understood as the capability or expertise within the organization to design and move to an alternative archetype.

The proposed relationship between these five elements and the four tracks suggested above is shown in table 1. The authors do not imply any simple causal relationship. In any given specific situation the five forces are seen as being in a dynamic relationship with each other and the specific organizational archetype. In effect the archetype is held in place, or destabilized by a change in one or more of the five elements. It is the interplay between the five elements that determines the particular track followed by an organization. For example a significant change in organizational context does not automatically lead to a change in the organizational design archetype. The response made by organizational members is mediated though the organization's interpretive scheme and established interests, and in particular is controlled by those who hold power.

Using these concepts the main focus of the book is on reorganizations that involve movement, both successful and unsuccessful, between archetypes. A secondary focus is why some organizations facing similar contextual opportunities and pressures do not move. It draws on a ten year study of a reorganization of British Local Government between 1972-1982.

Research Strategy

The first task undertaken by Hinings and Greenwood was to establish the existence of design archetypes and describe their overall form in the specific setting of this study. From their perspective organizational design archetypes cannot be 'self evidently listed in advance of empirical investigation', they argue that within a population of organizations the particular number and form of archetypes can only be established by paying close attention to the meanings given by organizations to their situations, 'the connections made between those meanings and organizational arrangements and the historical context of ideas and legitimation processes operating upon them'. In this particular situation they identify two design archetypes present in the early 1970's; (a) the heteronomous professional bureaucracy and (b) the corporate bureaucracy.

The 'heteronomous professional bureaucracy' is characterized as consisting of a number of independent, separate organizational service units. There are no general managers only appropriately qualified professionals. The underlying interpretive scheme is that (a) Local Government Authorities administer a set of services that have little or no connection with one another and (b) that demonstrated service related professional competence is crucial to the operation and performance of such services. This form of archetype is seen as dominant through to the late 1960's.

The 'corporate bureaucracy' emerged in idea form as a response to concerns with the perceived deteriorating social and urban infrastructure and the interrelated problems arising from this phenomenon. The idea of 'community governance' as opposed to the simple 'administration' of

services developed. The need for integration emerged with additional legitimacy given by supporting reports from a series of central government appointed committees, groups and a Royal Commission. In particular the report issued by the Bains Working Group, though not given legislative status, that was sent to all elected politicians and senior managers in the new local authorities to assist them in designing new management structures and systems, became a handbook of organizational change. Two ideas were prominent:(1) larger organizations were required to achieve economies of scale and adequate recruitment of expertise; and (2) there should be integrated structures based on managerially rational analysis of objectives, activities, outcomes and performance.

There was strong pressure for the set of organizations under study to move from the former to the latter archetype. Not least of these pressures was the emerging fiscal setting in which they found themselves. A strong policy of restraint, urged and promoted by central government, came as a shock to a system described as geared for growth. The policy had immediate and serious implications for the operations of the Authorities and forced questioning of the adequacy of current operating methods.

The reorganizations provided the authors with the opportunity to design a long-term research project:

> "This experiment was to take 422 organizations and change them all in the same direction by introducing a common approach to management, that of the corporate bureaucracy. Yet it was known that only a small number of these organizations were already going in that direction", (p.86).

Research Design and Sample

They collected data on 24 local authorities over the ten year period. Initially the authors approached all 422 asking for copies of the reports that they were producing that described the management structures they would introduce on coming into existence on April, 1 1972. Material that could be analyzed was returned by 304 organizations, a response rate of 72%. To capture the two proposed archetypes and functional and contextual differences between authorities the respondents were classified by local authority type and differentiation/integration, (table 2).

Table 3. Hinings and Greenwood's (1988) Classification of Authorities by Differentiation and Integration

	High differentiation, high integration: potential corporate matrix	High differentiation, low integration: potential professional bureaucracy	Low differentiation, high integration: potential corporate monocracy	Low differentiation, low integration: neither archetype
Shire County	2	2	3	1
Metro-District	2	2	3	1
Shire District	2	2	3	1

As can be seen, from this classification they made a selection that was balanced across types of local authorities but not across types of organization. The authors argue that given the thrust towards corporate management away from professional bureaucracy it was necessary to focus on the former type. Low differentiation and high integration, in particular, is the one that is furthest from professional bureaucracy and therefore a set of organizations that would likely be strongly reorienting. The non-archetypal was of little interest to the general research design and as such fewer examples were included.

For the longitudinal study four data points were chosen:1972 (carried out in 1973) to establish an archetypal starting point for the 24 organizations; 1975 as a point where the reorganization had a chance to settle down; 1978 and 1982 as basically following the established three year scheduling of the first two points.

Methods of Data Collection

Four formal methods of data collection were used: interviews, questionnaires, documents and observation. They emphasize that informal data collection generated through their close contact with the authorities due to an ongoing training initiative was also important:

In 1973 they used interviews to collect data on structure and systems. As well as documents such as budgets, procedural manuals, position statements and corporate reports.

1975 saw the collection of data on structure, systems, context, values, interests, power and capability using 384

focussed interviews with senior managers. Both documents and informal methods supplemented this material. In addition a questionnaire was issued to those interviewed as well as to those managers reporting to those senior managers. A total of 765 were issued and 551 returned, a response rate of 72%.

A similar pattern was followed in 1978. This time 368 interviews were completed; 724 questionnaires issued and 486 returned, a response rate of 67.1%.

The 1982 data collection focussed structural and systemic elements as it was the final design archetype outcome point. Questionnaire, as well as a follow up interview with the organization's CEO where necessary were the methods used.

Measures

The six conceptual areas noted in the introduction were subjected to measurement, namely organizational design archetypes, interpretive schemes, situational context, interests, dependences of power, and organizational capacity.

Organizational Design Archetypes- For the two identified archetypes, three general categories of measurement were considered: the structure of roles and responsibilities, decision systems, and human resource systems. The measures chosen excluded this last category due to the national nature of the local government system and the subsequent small variation in the way the human resource system was structured. The authors note that this would normally be an important area of measurement in many

Table 4. Hinings and Greenwood's (1988) Proposed Archetype Classification for Local Authorities Examined

	Position of Organization	
	Professional bureaucracy	Corporate bureaucracy
-prescribed differentiation	high	low
-prescribed integration	low	high
-emergent integration	low	high
-prescribed decision making pattern	low	high
-emergent decision making pattern	low	high
-prescribed decision making criteria	low	high
-emergent policy making criteria	low	high

other organizations. Therefore using the other two categories in their prescribed and emergent aspects, seven dimensions of organizational structure and systems were used to describe a particular organization's position vis-a-vis an archetype, (see Table 4).

Interpretive Scheme- Two sets of values were measured: commitments to professionalism and commitments to corporate management. Three basic measures were used:

(1) In the interviews respondents were asked both directly and indirectly about their own and other senior members commitments across the organization.

(2)The questionnaire had a set of five items on

each value area with a five point response scale. (3)Documents were subjected to latent content analysis to establish the overall position of the organization.

Commitment was considered to be in relation to four perspectives, namely status quo, competing, indifferent, or reformative. To establish the nature of the commitment three stages were followed. First, the interview and questionnaire data were separately aggregated, compared with each other and with the documentary analysis. The analysis actually showed a high degree of correlation between the measures. Second, a distinction was made between the responses of chief officers (dubbed the elite) and other managers (dubbed the sub-elite). Third, the position of each of these groups was compared with the design archetypes. From this an overall scale was produced:

Status quo- the commitment of both the elite and the sub-elite was the same, and in line with the current structural position.

Competing- where the elite is pro and the sub-elite anti (or vice versa).

Indifferent- no evident pattern for or against.

Reformative- where both the elite and the sub-elite had the same high commitment to one set of values, but where the existing structure reflected the other set of values.

Situational Context- This was considered to have two general elements: task environment and fiscal pressure. The

former was measured by combining three measures: complexity and variability of the environment, range of tasks performed by the organization, scale of authority in terms of both population and number of employees.

Fiscal pressure is reported as being measured in two different ways over the research period. Initially it was the average expenditure growth in percentage terms since the fiscal year preceding reorganization. Later they used the central government measure of expected expenditures matched against actual expenditures. The greater the latter over the former the greater the perceived fiscal pressure.

Interests- Using interview data, three resources were examined: financial(budgets), people (establishment) and status. For each the senior manager was asked for his level of satisfaction (using a five point scale from very satisfied to very dissatisfied) with the provision for his department. The responses for all three were summed across all organizational units to give an overall level of satisfaction with interests.

Dependences of Power- A questionnaire validated by interview data was used to look at both structural and substantive dimensions of power. Structurally a distinction was made between the centralization of power (the hierarchical locus of power) and coherence (the extent to which decisions are made by a small rather than large number of people or units). Substantively a distinction was made between power over general policy making and power over resource allocation(budgeting).

The measures of centralization and coherence were then combined under the general rubric of concentrated

(centralized and coherent), intermediate (decentralized and coherent, or vice versa) and dispersed (decentralized and non-coherent) power structures.

Organizational Capability- This had two aspects. First,the nature of leadership (transformational, transactional or mix) measured, subjectively through interviewer rating, as the extent to which certain approaches to managing strategic change are shared by the dominant elite. For transformational this included articulated vision; an understanding of the behavioral, cultural as well as structural change being undertaken; some degree of thought to process including behavioral and commitment issues and skills, as well as technical designing. Transactional leadership was seen as lacking vision, understanding and skills, with change seen in technical design terms.

Knowledge and expertise were measured in two ways. First the presence of people in the organization skilled in corporate management using ratings of interviewers backed up by ratings from the on going management training initiative. Second was the retrospective examination of the history of corporate planning in each organization over the previous time period. The two measures were combined for an overall measure.

In conclusion the authors are careful to note that this was not the neat and tidy process suggested by the presentation of their research design. Ideas developed over the ten year period. They note, for example, that neither archetypes, tracks or organizational capacity were part of the original

1972 design. In longitudinal studies they caution that the researcher must be flexible in that they are part of the dynamic of change.

Strategic Organizational Design Change: Research Findings

As with the first two studies the intent here is not to provide a detailed account of Hinings and Greenwood's findings, these are fully reported in the book, but rather a summary of their key findings that will provide some comparative basis with the study undertaken in this thesis report. Their findings are presented by reviewing the tracks followed by the 24 organizations included in their research strategy, noting the dynamics of change and stability that they found with respect to organizations changing an archetype (reorientation), or retaining an archetype (through either inertia, a discontinued excursion or an unresolved excursion).

The primary theoretical assertion from the study is,

> 'that the extent to which an organization engages upon a track of strategic orientation or remains stable within a prevailing archetype is a function of the interaction of situational constraints and the profile of internal values, interests, power and capabilities. That interaction, we are now arguing, has to be understood within the biographical context of the particular organization', (p137).

In providing the overview of the organizational tracks followed by the 24 organizations, the authors make several general observations with respect to the existence and

stability of archetypes and the movement of organizations between them:

(1)there was strong evidence that the organizations tended to operate within a coherent design involving structures, systems and interpretive schemes.
(2)Inertia was not the norm, rather attempted or successful movement between archetypes was the more usual pattern, (83.4% of sample).
(3) There was strong evidence of institutional pressures legitimating and prescribing choice of alternative design archetypes which nullified the pressures for archetype inertia.

In reviewing those organizations that moved along the reorientation track some general observations are made as to how they differed in their approach to change from organizations that moved along alternate tracks. The authors make the following observations:

(1) A successful reorientation usually followed a significant and considerable initial change effort, which established a sustainable momentum. This pointed to the importance of value commitment, transformational leadership, along with expertise and power to generate the required high degree of activity at the beginning of the change period
(2) The initial change effort was frequently at the emergent level, subsequently and quickly embodied at the prescribed level. As the change initiative developed the emergent and prescribed levels then reinforced each other.
(3) A successful reorientation tended to have an early focus upon high impact systems at both the prescribed

and emergent levels. The early changes were seen as having a high symbolic and real impact by concentrating on those modes of decision making central to the original and desired archetype.
(4)Reorientations are not a simple linear process, however reversals were usually of lesser magnitude than the changes made in the direction of reorientation.

In the study the authors found that of the fifteen organizations that began as a professional bureaucracy seven experienced reorientations. In considering the dynamics of reorienting the authors note two principal precipitating facts in a strong value commitment to change and institutional pressures; the enabling factors were the organizational capacity to achieve the change. The challenge was to harness the changes in interpretive schemes to appropriate structures and systems, and ensure the presence of the necessary understanding and expertise on how to operate the new management approach, along with the required level of collective transformational leadership.

With respect to the other identified tracks; in table 1 I had noted a series of propositions made by the authors concerning the association between the precipitating forces and the inertial track. Hinings and Greenwood note that the sample of organizations studied to date is too small to make any definitive conclusions, however they do draw two broad conclusions with respect to the propositions:

(1) Their findings suggest that there is support for the profile suggested in the inertial column of table 1. That a congruence between context(especially the task), commitments, interests, power and organizational arrangements will lead to a 'strong' attachment to the

inertial track.

(2) However, with respect to leadership the relationship may be more complex than initially suggested. A distinction should be drawn between organizations that require transactional or transformational leadership to sustain inertial track. Where organizations have adopted a relatively new set of ideas, such that they are an inertially evolving organization, maintaining an inertial position may require transformational rather than transactional leadership directed at a less than favourable. institutional context and changing environment, as well as to the task of developing organizational capacity to sustain the inertial track. Basically, the more recent the inertial archetype the more likely the need for transformational leadership. As such it is important for any researcher to understand the biographical context of the organization

In reviewing their findings on retaining an archetype following a discontinued excursion, they note that there were seven organizations in the sample that started with a coherent archetype (four within the heteronomous professional bureaucracy archetype and three within the corporate bureaucracy archetype), moved away from that archetype at some point during the research period, but then returned to their point of departure. With respect to the former Greenwood and Hinings found that the heteronomous professional bureaucracies were under strong institutional pressure and some contextual pressure to change. What was lacking was the senior management knowledge, skill and leadership to guide the organization through the change even though due to considerable pressure they travelled a fair distance down the 'corporate' track. With respect to the

corporate bureaucracies their pressure to change to the heteronomous professional archetype arose from fiscal pressures and the subsequent interest dissatisfaction. However there was less evidence of competing values, leadership was more transformational in character and there was considerable skill in managing corporate systems. As such the authors report a 'low-level oscillation' described as movement around the archetype than between archetypes. More extreme movement appeared feasible particularly in light of an articulated alternative in the heteronomous professional bureaucracy archetype, along with adequate leadership and power. However the authors note that such change can be blocked by the existing power structure and/or active transformational leadership reaffirming the importance, efficiency and effectiveness of the current archetype.

In summary the authors note a lack of enabling dynamics (organizational capacity or power structure) to see the change through. Sufficient momentum is never mounted or sustained, there is too much concern with prescribed structure rather than emergent systems. As such the historical experience of the organization reasserts itself.

With respect to the **unresolved excursion** there were six organizations in their sample that followed this track. They found that the track had several patterns within it in terms of starting point, degree of oscillation and the direction of movement. Two of the six began from the heteronomous professional bureaucracy and moved partially toward the corporate archetype. Four remained in the intermediate position between the two archetypes for the full ten years of the study. This is interesting as the authors predicted the idea of 'momentum' toward an archetypal position. In

response to this finding they make two key points:

> (1) The periodicity of strategic change in organizations may be much longer than commonly acknowledged in the literature.
> (2) These organizations may have believed that their arrangements were corporate and therefore consistent with the institutional prescriptions, as they lacked expertise to tell them otherwise. Also as they perceived themselves to be performing well there was little pressure to change.

Returning to the two that partially moved they note that an unresolved excursion may be sustained because elements of the new archetype are useful in solving specific problems (in these cases resource shortages and a fiscal crisis). These elements were then retained despite pressures to return to a different archetype. In summary the authors suggest that it is the incompatibilities between the various precipitating and enabling dynamics that causes movement. Given the number of possible dynamics there are many potentially different patterns that can produce an unresolved excursion and hence this track might be expected to have the least coherent patterns: 'singular responses with no underlying design logic'.

In conclusion, Hinings and Greenwood argue that their findings suggest that a high value propensity to change along with a low resistance to the change initiative are sufficient conditions to produce structural change irrespective of context, interests and power. On the flip side low value propensity to change with high or low resistance are adequate to block change; as is high resistance by a dominant coalition with a concentrated power

structure, regardless of values held by non-elite. On the enabling side of change they argue that organizational capacity in the form of expertise and leadership, appear to be more important than power. With respect to precipitating factors they note that the same pressures can produce different consequences, as well as different pressures producing the same consequences. This is dependent on three factors:

(1) The joint and interactive effects of external and internal pressures and the ways in which these produce perceived significant incompatibilities.

(2) That joint and interactive effects will differ according to the particular position of an organization at a particular point in time with respect to its history and institutional setting.

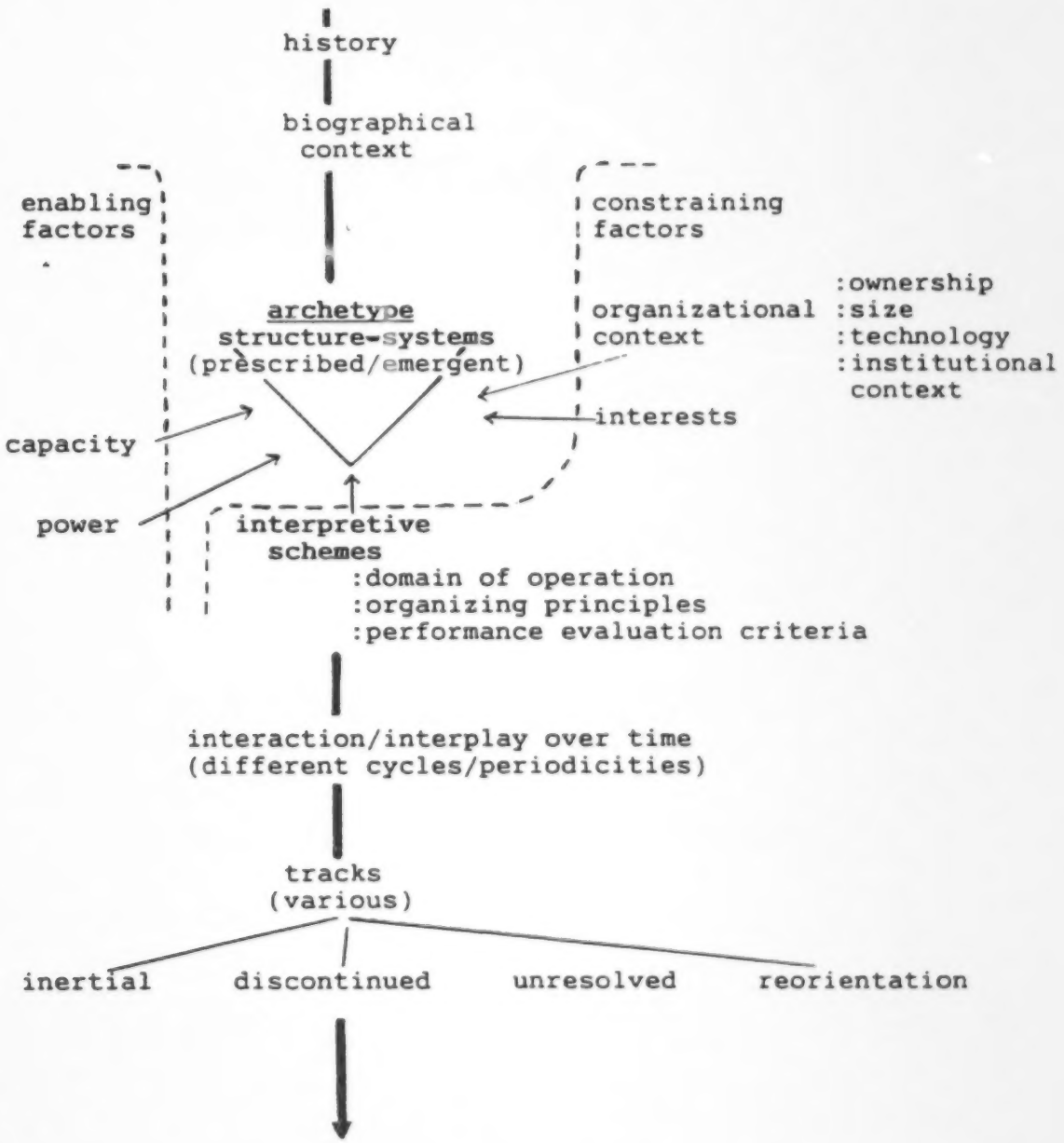
(3) That the current direction of an organization is also an important factor.

Summary of Framework

As with the previous two reviews my intention here is not to repeat either the details of the framework just reviewed or the findings. My task is simply to try to map out the basic elements and dynamics of the framework as a basis for later comparison and analysis as I develop a research framework for my thesis study.

Underlying this framework are the key issues of time and history. Hinings and Greenwood reference other theories of change based upon the time period they adopt. The longer the time period the more likely that the determinant causes of

Figure 3. Hinings and Greenwood's Framework For Major Organizational Change



change will be seen in terms of large- scale movements of socio-cultural and economic phenomena, (eg. the work of the population ecologists). The shorter the time frame adopted the greater the focus on the immediate situation and the actors involved. The authors note Perrow's (1972) comment that, 'if one takes a long-term view of what causes organizations to be as they are, the major factors seem to be cultural; in the medium term they are technological and, in the short term, economic'. Each cycle is seen as having a different periodicity.

In the current study the authors attempt to deal with three levels of analysis which they believe are likely to have different cycles. Archetypes are thought to have a considerable degree of stability requiring what the authors suggest is a medium-term focus (perhaps 'ten years'). With respect to the dynamics of change and stability might be considered over a shorter term period ('three to five years') with the constraints of context, values and interests being considered on a year to year basis, whilst enabling factors such as capacity and power being considered on almost a daily basis. The interplay of these various levels of analysis and their different periodicities are the dynamics of the framework as organizations move along various tracks, (fig. 4).

5. A SUMMARY OF 'THE AWAKENING GIANT:CONTINUITY AND CHANGE IN ICI' by ANDREW PETTIGREW (1985)

This extensive study reflects the results of research carried out by Pettigrew at Imperial Chemical Industries(ICI) over the eight year period from 1975 to 1983. Pettigrew argues that given the actual changes in the economic, political and business environments of large firms during the past twenty years,an important factor affecting the relative competitive position of British firms is their capacity to adjust and adapt to major changes in their environment so as to improve their competitive performance. The stated aim of his book is to explore how to create strategic and operational changes in large complex organisations. The study examines ICI's efforts to change their strategy, structure, technology, organisational culture, and the quality of union management relationships from 1960 through 1983. To this end the study reviews what the author considers to be two linked continuous processes:

(1) The life-span of groups of internal and external OD consultants used by ICI to help initiate and implement organisational change.

(2) An analysis of the broader processes of continuity and change in ICI from the perspectives and actions of the main board, divisional board and senior managers of the company.

The empirical base of the study was interview, documentary, and observational data collected from ICI's four largest divisions -Agricultural, Mond, Petrochemicals, and Plastics- and from Corporate headquarters.

His reported findings support the idea of the inertial properties of large organisations and the tremendous difficulties of changing established ways of seeing and behaving towards the environment. Pettigrew notes that:

> 'Once a large organization develops a coherent strategy of how it is going to deal with its external environment, and that strategy is reinforced by the structures, systems, cultures, and political constraints of the organization, the dominating ideas and assumptions which are implicit and explicit in the strategy it follows are extraordinarily difficult to break down. Thus when strategic change does occur it tends to occur in radical packages - revolutionary periods interspersed with long periods of absorbing the impact of the radical changes, of further periods of incremental adjustment, and then a period of education, persuasion, and conditioning leading up to the next revolutionary break', (p. xix).

Pettigrew's study reports that the intermittent phases of high levels of change activity were 'precipitated by, but not solely explained by, economic and business related crises'. Rather, that behind these events were also 'processes of managerial perception, choice and action':

> 'The (study) provides ample illustrations of the role of executive leadership in intervening in the existing concepts of corporate strategy, and using and changing the structures, cultures, and political processes in the firm to draw attention to the need for change, and lead the organization to sense and create a different pattern of

> alignment between its internal character, strategy, and structure and the emerging view of its operating environment', (p. xix).

With respect to using the knowledge and skills of internal and external OD specialists to help create change Pettigrew cautions 'don't expect too much, and certainly in the context of strategic change without a business crisis, don't expect too much too soon'. Pettigrew argues for the difficulty experienced by CEOs, senior and middle managers in both justifying and implementing strategic and operational changes, he therefore asks what chance specialists have with their fragile political positions?

The above introduces some of the main themes of Pettigrew's work. These will now be described in more detail.

Research Strategy

Pettigrew's approach sees organizational change as a complex dynamic process that should be understood from different levels of organizational analysis. Any approach which offers both a 'processual' and 'multilevel' analysis Pettigrew describes as 'contextualist' in character. He suggests that there are three basic elements to a contextualist analysis: the process component, the context component, and the outcome component of the process under investigation. He describes the basic steps of gathering, sorting and analyzing data as follows:

> 1. Identify and describe the process or processes under investigation. When investigating processes show in the descriptions any variability or constancy between the processes.

2. Start the analysis of the identified processes by using existing, or developing new, theories of process.

3. Start to identify the levels of analysis in the context, and some of the categories or variables in those different levels of analysis.

4. Next start the task of describing and analyzing any variability across the contexts through which the processes are developing. Also describe and analyze trends and developments in the various contexts through time.

5. Start to consider the alternative criteria that might be used to assess the outcome of the process under investigation.

The key to the analysis is in suggesting and establishing relationships between context, process, and outcome. What are the relationships, if any, between variability in context, variability in process, and variability in outcome?

The sources of data used for the analysis of ICI were from long semi-structured reviews of company documents; interviews with additional sets of internal and external consultants, past and present clients, as well as identified supporters, doubters, and opponents of the OD initiatives; and ongoing contact with the company by Pettigrew either as a researcher or consultant.

Data was collected on a continuous real-time basis from 1975, and through retrospective analysis for the period 1960-1974. Additional archival data was also used to probe the traditions and culture of each division.

Pettigrew's study identifies and describes what he perceives to be two linked continuous processes. The first is the exploration of both the evolution and impact of OD groups in ICI. The second is the overall process of continuity and change in the organization. Specifically he sought to describe and explain the differential impacts five OD groups had in facilitating or inhibiting changes in each of their areas of action, as well as the natural history of each group's birth, evolution and fate.

Pettigrew's theory of organizational process is political with a cultural analysis. He argues that the processes of strategic assessment, choice, and change are not only questions of rational economic calculation but an immensely human process in which differential perceptions, quests for efficiency and power, leadership skills, chance, and the processes of building up a momentum of support for change and then implementing such change, all play their part. A key factor, from Pettigrew's perspective, in creating change is the ability to create a social context in which it can survive and prosper. For the OD groups this will involve legitimizing their strategies and delegitimizing the strategies of their doubters and opponents.

As per his suggested methodology, Pettigrew's emphasis is on describing and analyzing processes of change in context. The process of the evolution, development and impact of the OD groups in the context of the overall process of continuity and change with ICI. Why and how the content of particular changes and the strategies for introducing them are constrained or facilitated by the context. Pettigrew considers two levels of analysis with respect to the context: the internal organization; and the external environment. As suggested by the idea of process these are

considered within the context of time. The particular time at which change might occur constrains or facilitates the content of that change in the sense that what has gone before and what is perceived to be in the future impacts on that change. With respect to the internal context Pettigrew argues the content of particular changes and the strategies for introducing them are constrained by, as well as enabled by, aspects of the traditions, culture, structure, and business of ICI as a whole and each of its particular divisions. With respect to the external context, clearly the content of change is impacted by the major changes in the business, economic, and political environment facing ICI in this time period.

As such in studying the group process of the emergence, development and fate of the OD groups in the four divisions and head office of ICI, Pettigrew analyses specific elements from the internal context as they relate to the OD groups. Specifically he looks at the 'company and divisional organizational cultures, their norms, power distributions and recurring conflicts, the social control and other attitudes and behaviours directed toward each group by key figures and interest groups in their environment, and the relationship between these factors and the organizational impact and survival of the OD groups' (p. 48). With respect to the outer context, he looks at the specific and broad business, economic and social trends providing enabling as well as constraining influences on the OD groups. This is done in the context of a time frame covering 1960-1983.

For Pettigrew the group level of analysis is linked to the inner and outer levels of analysis by the political and cultural processes:

> 'He who understands the political and cultural system of his organization and the impact of changing economic and social trends on the emergence and dissolution of old issues, values and priorities, is at least beyond the starting gate in formulating, packaging and influencing the direction of organizational change. Context is then treated as something which must not only be understood, but mobilized to create practical effects', (p.49).

The degree to which the OD groups understood this part of the politics of creating change, along with their abilities in using this understanding, is a focal point of Pettigrew's investigation.

Strategic and Operational Change in Large Complex Organisations:the Findings of the ICI Study

Developing a Theory of Strategic and Operational Change

In completing a review of the literature on organisational change and development and strategic change, Pettigrew concludes that for the most part the research reported has been ahistorical, aprocessual, and acontextual. As such, he agues that the field of study is typified by 'limited attempts at theoretical development, few theoretical debates, highly focused kinds of conceptualisation, and very limited empirical findings',(p.23).

A critical problem from his perspective is that the literature tends to have too narrow a focus in choosing the change initiative as the unit of analysis, and the actual

change as a discrete event somehow separate from the immediate and more distant context which gave that event meaning. For Pettigrew this issue is further exacerbated by the highly rational and linear process models that underpin much of the literature. Pettigrew will argue the need for alternative models of process to adequately capture the dynamics of change in large complex organisations.

He believes that the study of organisational change is at a point where theory and knowledge is needed to understand the 'dynamics of changing in alternative contexts using a framework of analysis which can incorporate different levels of analysis with varying degrees of explanatory immediacy and distance from the change process under examination',(p.25). The starting point for his analysis is the proposition that to formulate the content of any new operational strategy unavoidably involves managing its context and process. Put another way, Pettigrew argues that the content of strategic decision making and change should be seen as a continuous process; and further, that the strategic change processes are best understood in context.

Building on Mintzberg's(1978) distinction between intended and realised strategy, Pettigrew understands operational strategy to be 'that which is realised in practice through consistency in a stream of actions and decisions over time',(p.438). As such one element of the context is the location of strategy in time. Past strategies influence current strategies, and current strategies hold the seeds of future strategies. Another element is the outer context, understood as the shifting business and economic factors surrounding the organization, as well as the changing social and political environment in which it operates. A third element is the inner context of the organization such as the

structure and systems, corporate culture(s) and the internal political dynamics within the organization. The internal context is understood as mediating what is seen and acted upon from the external environment.

Pettigrew argues that the origins of strategic change are often found in the advancement of a perceived performance gap between some change in the environment and the internal context of the organization. Differential perceptions by various groups or individuals within the organization provide tensions and conditions for change or for maintaining the current understanding of the relationship between the organization and its outer context or environment.

This leads into what Pettigrew describes as 'the central, guiding theoretical influence on this research'(p.26), namely his continuing work on organisations as systems and subsystems of political action (Pettigrew, 1972, 1973, 1975a, b, 1977, 1979, 1980). Having considered various process theories of choice and change ranging from rational, boundedly rational, incremental, and garbage can approaches (p.19-23), Pettigrew argues that the one that has the greatest potential value in explaining continuity and strategic change is one which combines a political and cultural analysis of organizational life. Referencing the empirical studies of Bower (1970), Mintzberg et al. (1976,1978), and Quinn (1980) as challenging the rational-analytical views of strategy formulation and change, he argues that strategy formulation might be seen as a multi-level organizational activity with the outcomes of decisions being shaped by the interests and commitments of both individuals and groups, the forces of system momentum, critical changes in the environment and the manipulation of

the structural context around decisions. By considering the organization as a political system this directs attention toward the factors which facilitate and hinder change and to the reasons why political energy is released within organizations at even the prospect of change. He argues that the 'possibilities and limitations of change in any organization are influenced by the history of attitudes and relationships between interest groups in and outside the firm, and by the mobilisation of support for change within the power structure at any point in time'. He goes on to say:

> 'The outcomes of debates about specialist or managerial-led changes in the firm are, therefore, a consequence not just of rational problem-solving processes, or of the weight of technical evidence and analysis, or even just managerial drives for efficiency and effectiveness though on the surface the custom and practice of persuasion may dictate that initiatives for change are publicly justified in the above ways. Rather changes are also a product of processes which recognize historical and continuing struggles for power and status as motive forces, and consider which interest groups and individuals may gain and lose as proposed changes surface, receive attention, are consolidated and implemented, or fall from grace before they ever get of the ground',(p.27).

Pettigrew sees political processes as arising at the group level from the division of work, and at the individual level from associated career, reward, and status systems. Interest groups associated with organisations form around current issues, objectives, responsibilities, functions or business

areas, hierarchical levels or assumed groupings such as progressive or conservative, newcomers or old timers.

Such processes are thought by Pettigrew to be most volatile not, as might be thought during the change process, but rather during the period when the decision to go ahead with the change is made (Mumford and Pettigrew, 1975). This is based on the argument that constraints can be set in place during the decision phase that severely limit political processes during implementation. Political behaviour is seen as a function of awareness of resources during early discussion of the change, the proposed redistribution of resources through the change, the importance of these redistributions to any one group or individual, and that group's or individual's capability to mobilise power to protect its interests. In any event Pettigrew notes that 'the issue is less one of where and when political energy is likely to be released than one of to what extent it will be released within the change process,'(p.43). Further he emphasizes that these intra-organizational processes must be studied recognizing the facilitating and constraining circumstances of shifting business, economic, political and social contexts.

To this resource view of power and political processes Pettigrew adds an additional perspective that links political with a cultural analysis. It is argued that organizational culture, the dominating ideologies or ideas which provide the systems of meaning and interpretation which filter in and filter out environmental and intra-organizational signals, does not merely reflect organizational power relationships but actually shapes those relationships by providing ground rules which structure the character of the political process inside the firm. From

this cultural perspective politics can be seen as the management of meaning:

> 'The management of meaning refers to a process of symbol construction and value use designed both to create legitimacy for one's actions, ideas and demands, and to delegitimize the demands of one's opponents. Key concepts for analyzing these processes of legitimization and delegitimization are symbolism, language, belief, and myth',(p.44).

By using these cultural elements of accepted language, symbolism. belief and myth, a group or individuals may be able to justify continuity in the face of perceived pressures for change, or change in the face of attempts to argue for continuity.

Pettigrew goes on to make explicit what is implicit in the above argument.It is that...

> 'Structures, cultures, and strategies are not just being treated here as neutral, functional constructs connectable to some system need such as efficiency or adaptability, those constructs are viewed as capable of serving to protect the interests of dominant groups. This means that not only can the existing bias of the structures and cultures of an organization in general terms protect dominant groups by reducing the chances of challenge, but features of intra-organizational context and socioeconomic context can be mobilized by dominant or aspiring groups in order to legitimize existing definitions of the core strategic concerns, to help justify new

> priorities, and to delegitimize other novel and threatening definitions of the organization's situation. These points, as we shall see, are as pertinent to understanding processes of choice and change as they are to achieving practical outcomes in strategic change...As such the content of strategy is ultimately a product of a legitimization process shaped by political/cultural considerations, and expressed in rational/analytical terms', (p.45-46).

Within this perspective the motor driving the process is man the actor. Man's capacity and desire to adjust social conditions to meet his ends, and the part played by power relationships in the emergence and ongoing development of the processes being examined. For Pettigrew this form of process analysis makes it clear why and how sensing, justifying, creating and stabilising strategic change can be so tortuous and long. It underscores why Pettigrew is sceptical of any singular theory of process or organizational change. Rather he argues that one should ...

> 'Look for continuity and change, patterns and idiosyncracies, the actions of individuals and groups at various organizational levels, and processes of structuring. Give history and social processes the chance to reveal their untidiness. To understand strategic change, examine the juxtaposition of the rational/analytical and the political, the quest for efficiency, growth, power and business survival, the role of exceptional men and of extreme circumstances, the vicariousness of chance, the enabling and constraining forces of environmental forces, and explore some of the

> conditions in which mixtures of these occur', (p.444).

In Pettigrew's approach to understanding the origins, development and implementation of organizational change, therefore, he is interested in multilevel theory construction with analysis over time. He sees organizational change as a complex dynamic process occurring at different levels, at various rates, interdependent, mutually interacting and influencing. The levels of analysis should be clearly delineated, but theoretically and empirically connectable. The process or processes under examination should be clearly described. The identification of a motor that drives the process. The inner and outer contextual variables and categories in the multilevel analysis must be linked to the processes under observation in the horizontal or processual analysis. Such an approach which offers both multilevel and processual analysis Pettigrew describes as contextualist in character:

> 'It is in the dialogue between trends and forces in a multilevel and changing context, and the relationships, actions, and initiatives between groups and individuals seeking to adjust social conditions to meet their ends, that much organizational change - its origins, mechanisms, and forms - can be located and understood', (p.37).

Summary of Research Findings

In considering the **why** of organizational change Pettigrew argues that the examples of strategic changes examined in

his research at ICI demonstrate the profound organizational cultural and political roots of strategy, as well as the reality of dominating rationalities or ideologies inside organizations that provide a frame of reference through which individuals and groups attach meaning, make sense of intra-organizational and business and economic trends developing around them. It is suggested that once a particular alliance of strategic content, context and process has become established that it is difficult to break down the dominating ideologies. This requires long term conditioning and learning processes influenced by several key factors including the interest and above all persistence of visionary leaders, the changing patterns of competition between individuals and groups representing and proposing different ideologies, the enabling opportunities created by business and economic change, changes in the power distribution of the company, and the connecting of what are perceived to be useful solutions at particular points in time to culturally legitimate problems.

Pettigrew notes that the empirical study of strategic change with the greatest overlap with his study of ICI is Quinn's (1980, 1982) work on logical incrementalism that argues strategic change is a joint analytical and political process. Quinn recognises the cognitive limits on the management of the process of strategic change, as well as concern for timing and sequencing in order to build awareness and consensus for strategic change. To this degree Quinn's continuous, evolving, political, consensus-building view of the process of strategic change fits well with the ICI data.

However Pettigrew, in line with Mintzberg's (1978) findings, found that the overall pattern in the ICI data on strategic

change indicated that changes tended to occur in radical packages interspersed with relatively long periods of both absorbing the impact of revolutionary action and then coming to terms with the fact that further changes are eventually necessary. This is contrary to Quinn's view of process that strategies emerge in a continuous incremental and therefore additive manner. Crucial to the timing of these radical actions were real and constructed crises, changes in leadership and power, and the transformation of organizational ideologies. As such Pettigrew argues that behind the periodic strategic reorientations in ICI were not only economic and business events, but also processes of managerial perception, choice and action both influenced by and influencing perceptions of the operating environment of the firm, and its structure, culture and systems of power and control.

From this base Pettigrew argues that any adequate framework for examining strategic change must therefore include not only perceived objective changes in the economic and business forces, but also the role of executive leadership and managerial action in intervening in the existing concepts of corporate strategy in the firm, as well as using and changing the structures, cultures, and political processes in the firm to draw attention to performance gaps resulting from environmental change, and thereby lead the organization to sense and create a different pattern of alignment between its internal character, strategy, and structure and its evolving concepts of its operating environment. For Pettigrew the real problem of strategic change is therefore one of managerial process and action; indicating new areas of concern and the securing of those areas in issues for attention and decision, of mobilizing energy and enthusiasm in an additive fashion to ensure that

identified problems eventually gain sufficient legitimacy and power to result in contextually appropriate action.

From Pettigrew's perspective therefore the research data suggests that the how of strategic change involves the idea that finding and clarifying the content of strategic change critically involves understanding its context and process. Identified performance gaps arising from misfits between the content of existing strategies, management processes, and the inner and outer context of the firm, are areas of potential or actual tension that can be used to stimulate a momentum for change. However an important point to note is that in the five examples studied by Pettigrew the contextual starting point has an important impact on the potential for strategic change.

Pettigrew found that variability across the five cases in the contextual starting point, as well as differential difficulty in changing that context through managerial action whilst the change process evolved, materially affected the capacities of managerial action to influence and create the desired strategic change. Pettigrew reviewed his data to look at why some organizational contexts are more receptive and others more inhibiting of strategic change. He suggests that based on the data a partial answer may lie in the absence of certain factors. Absence of sufficient business and economic pressure, and therefore a lack of sufficient negative energy for change that comes from dissatisfaction with the status quo. Absence of positive energy and tension for change which can be created by the vitality, imagination, visionary ideas, and persistence of leadership. However Pettigrew also argues that the capacity for strategic change is also a function of the way management processes in integrative and segmentalist

organizational structures and cultures. These in turn can be both facilitative and inhibitive of the processes of vision-building, problem-identifying and acknowledging, information-sharing, attention-directing, problem-solving and commitment-building which appear to him as necessary to create change.

The use of segmentalist and integrative labels to classify organizational structures and cultures builds on the dichotomy of organic and mechanistic organizations suggested by Burns and Stalker(1961) and is specifically borrowed from Kanter (1983). Kanter argues that integrative structures provide three enabling condition for innovation: a diffuse climate of encouragement for change; managerial processes that give empowerment for change; integrative mechanisms and processes which encourage fluidity of both horizontal and vertical boundaries to allow the circulation and development of ideas, and which give support for action to be implemented. On the other hand, segmented structures and cultures are divided by levels and functions, clear status and power gaps compartmentalise ideas and problems and information is secret. Such an environment is perceived as anti-change.

Pettigrew found similarities between Kanter's broad findings and the conduct of strategic change in the fives cases studied at ICI. For him critical to all the cases where change occurred was the necessity of managerial action to change predominantly segmentalist structures and cultures in ICI toward Kanter's integrative ideal. As such Pettigrew argues that both the inner and outer starting context impacts on the possibility of strategic change. As noted above Pettigrew's ICI cases supported Quinn's (1982) findings that strategic change does not occur following the

rational-analytical schemes touted in the planning literature.

In considering the how of strategic change Pettigrew used Johnston's (1975) suggested basic four phase framework: developing a concern with the status quo; getting acknowledgement and understanding of the problems that needed tackling and why; planning and acting; and a period of stabilization. Pettigrew found that these phases do not occur over similar time periods, nor do they follow the sequence described above. Concerns raised and problems acknowledged often got blocked, the context changed, new concerns appeared and so forth. What Pettigrew did find as consistent was the role of leadership in initiating strategic change and that the framework proved useful in making sense of the study's data.

The data from the study indicated the importance of the initial problem-sensing stage which may predate a stage of development of concern. Pettigrew notes that in the sphere of strategic change signalling problems as worthy of attention and getting those problems a legitimate feature of corporate discussion and decision-making, is itself a time-consuming and politically sensitive process.

The development of concern stage pointed to the need for the presence of a small group of early adopters or of a single visionary change leader, sensing and imprecisely stating a performance gap between the organization's present condition and some feature or features of its operating environment. A key management task for this phase is building support for the early adopters through education, information and networking; the building of a critical mass of people to help influence key power figures. This also involved leaders

articulating the performance gaps between the organization and the environment, but also included raising the level of tension in the organization.

For the acknowledgement and understanding phase the key management task proved to be helping early adopters and key power figures to maintain and develop a structured dialogue about the problem(s), avoiding a rejection of the problem or a move to action based on poor assessment. This was important in rational-analytical terms by it exposing alternative diagnoses of problems, exploring causes, and generating alternative solutions.

The data from the Mond and the Corporate change processes suggest that these first two stages of problem finding, educating, and climate and tension building for change are long processes with many iterations, blocks, dead ends, and unpredictable areas of movement. Persistence and the deliberate attempt to alter the structural and cultural context of decision-making, capitalizing on environmental disturbances, seem necessary to break out from just the acknowledgement and understanding of problems into a stage of executive planning and action. Pettigrew found that the change processes in four of the cases involved attempts to alter the structural and cultural context in which strategy changes were being expounded. These context changes included using new ideological posturing to challenge accepted ways of thinking and acting, using new management development programs to focus on need for new skills, and changing administrative processes. These were not part of some overall plan. Rather individuals took advantage of opportunities as they presented themselves. Such actions required understanding and skill in intervening in the organization's structure, culture, and political processes.

With respect to planning and acting tasks Pettigrew supported the finding of Beckhard and Harris (1977) and Beer (1980) identifying the most important tasks as: defining the present condition of the organization in relation to its changing environment; clarifying the desired future state for the organization in relation to its changing environment; building commitment around particular change objectives, appointing transition managers, using detailed and contextually sensitive action plans. The Mond case emphasizes that this process is greatly facilitated by unity of philosophy and purpose amongst the senior executives leading the change process. A key to success is the effective management of the links between the senior group leading the change and operating managers carrying through the details of implementing particular changes.

Stabilizing includes using reward systems, information flows, power and authority distributions to support the newly emerging state, as well as careful succession planning to maintain changes and appropriate momentum.

Pettigrew found Johnston's framework lacking in its ability to interpret the data. First, that it under-emphasized management ability to change and thereby restructure the context in which the change processes develop. Secondly, the extent to which effective action in managing strategic change is dependent on mobilizing environmental disturbances and crises in order to achieve change. Such environmental disturbances can be either orchestrated and/or capitalised upon to create opportunities for organizational learning, to destabilize power structures, and connect previously unrelated solutions around now more precisely stated and more enthusiastically supported organizational ideologies.

Summary of Framework

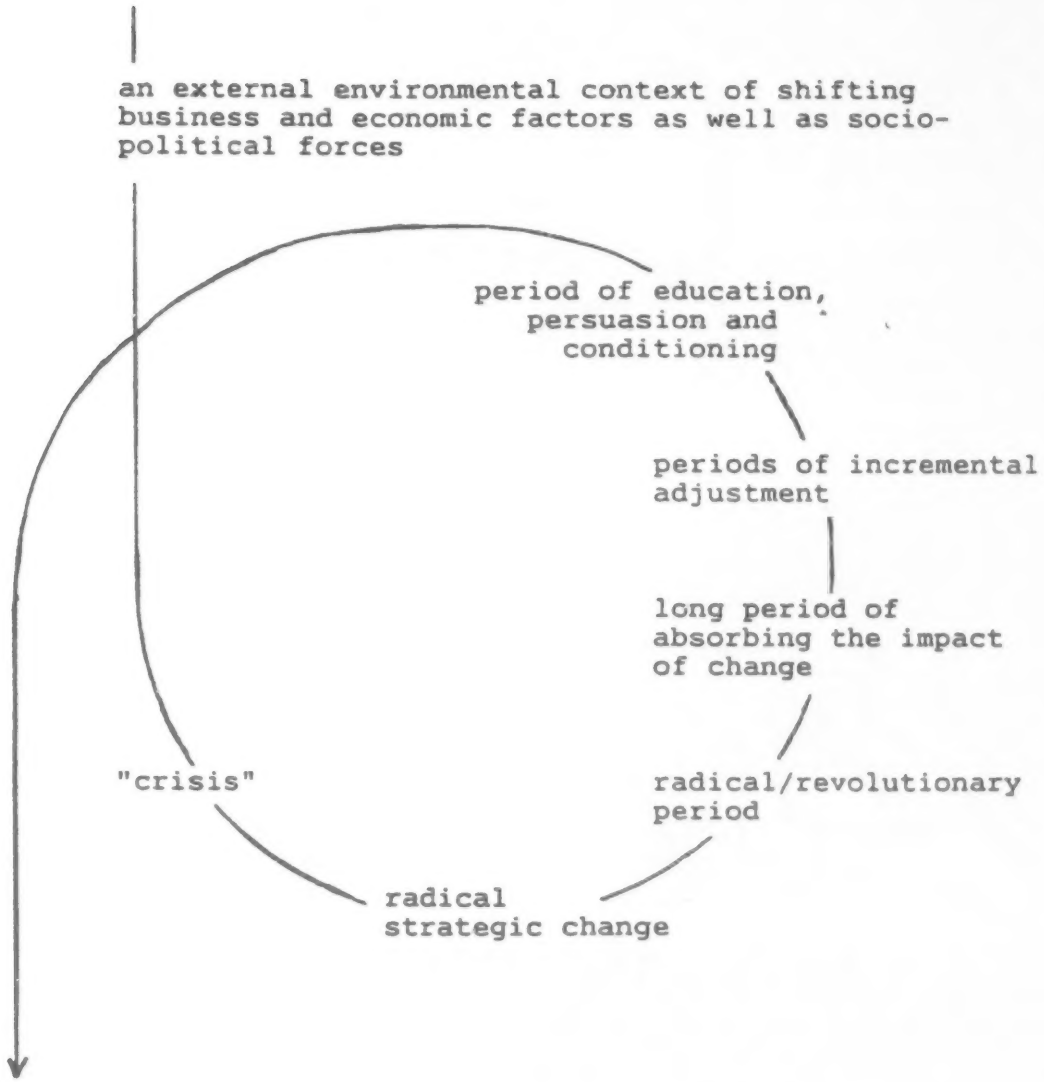
It appears to me that Pettigrew's framework for understanding strategic and operational change in large complex organizations might be summarized in two figures: first that of the cycle of continuity and change within large organizations and secondly a focussed look at the processes behind the change phase of a specific cycle.

Pettigrew argues that the overall pattern in the ICI data on strategic change indicated that changes tended to occur in radical packages interspersed with relatively long periods of both absorbing the impact of revolutionary action and then coming to terms with the fact that further changes are eventually necessary, (see fig.1). These cycles are seen as occurring repeatedly over the history of an organization, although both their length and specific content will vary.

In Pettigrew's view the chosen strategy reflects the organization's dominating ideas and is increasingly reinforced over time by the evolving structures, systems, cultures and political alignments within the organization. It is suggested that once a particular alliance of strategic content, context and process has become established that it is difficult to break down the dominating ideologies. In fact Pettigrew argues for the need of a "crisis" to precipitate change that involves several factors:.

Pettigrew argues that both the inner and outer starting context impact on the possibility of strategic change and then on the content of strategic change. Individuals and groups must manage both contexts in developing the content of strategic change. Hence change is influenced by several key factors including the interest and above all persistence

Figure 4. The Cycle of Continuity and Change in Pettigrew's Framework

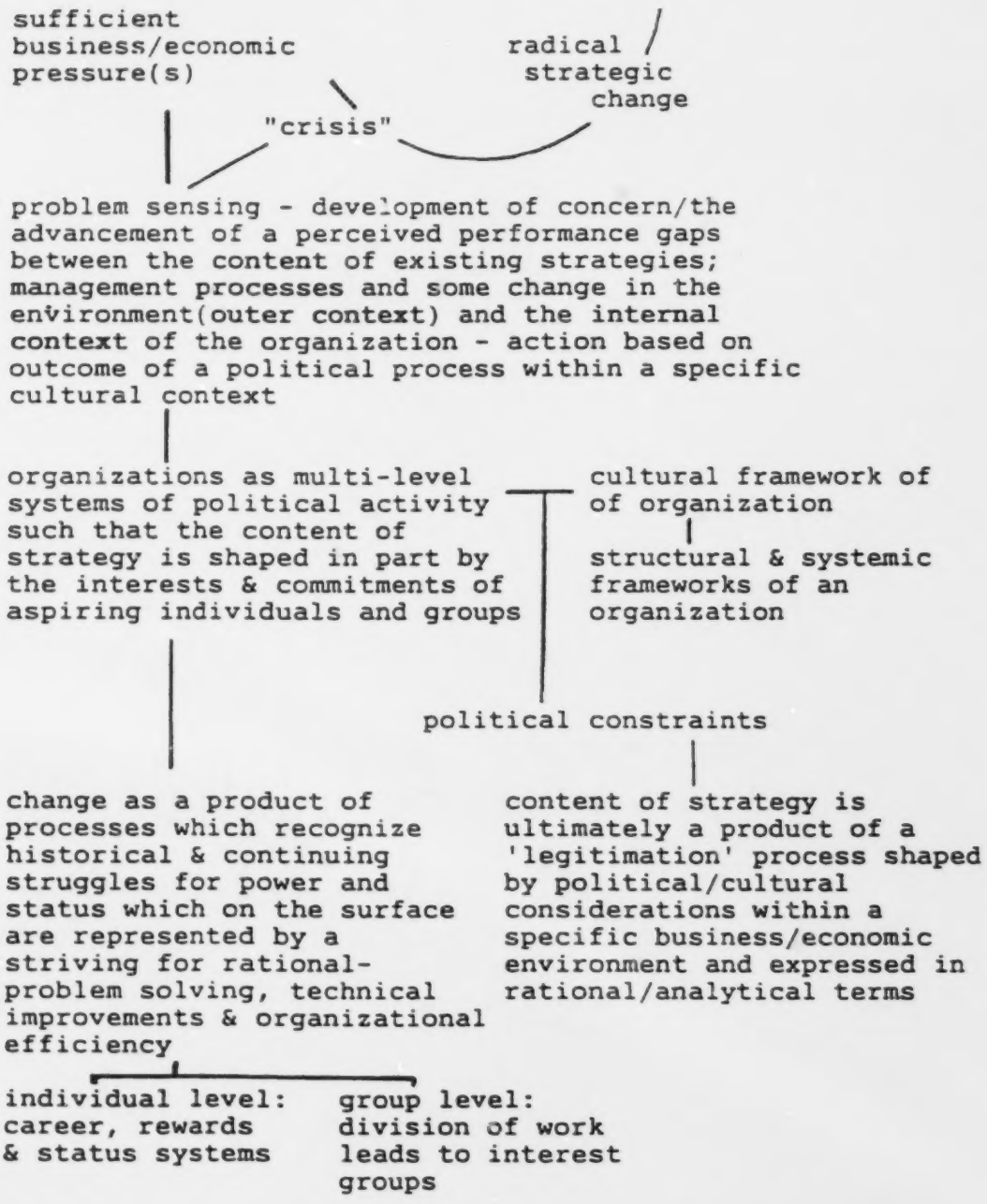

an external environmental context of shifting business and economic factors as well as socio-political forces
period of education, persuasion and conditioning
periods of incremental adjustment
long period of absorbing the impact of change
radical/revolutionary period
radical strategic change
"crisis"

of visionary leaders, the changing patterns of competition between individuals and groups representing and proposing different ideologies, the enabling opportunities created by business and economic change, successfully using the intra organizational elements to facilitate change, changes in the power distribution of the company, and the connecting of what are perceived to be useful solutions at particular points in time to culturally legitimated problems. This is a primarily a political process in Pettigrew's eyes based on a struggle for power and meaning in successfully advancing or denying a perceived performance gap between some change(s) in the environment and the internal context of the organization.

This last point is important to Pettigrew's framework. Culture, structures and systems are seen as political constraints that in general terms protect the interests of dominant groups by reducing the chances of a challenge. The organization's culture(s) is seen as providing the ground rules which structure the political process. The dominating ideologies or ideas provide systems of meaning and interpretation which filter in and filter out environmental and intra-organizational signals. Structural and systemic elements evolve with culture to reinforce a chosen strategy. These elements, and in particular the organization's culture, must be successfully mobilized in effecting change in strategic content or in defending the status quo.

Finally, through his framework Pettigrew has argued that strategic change in a large complex organization such as ICI was grounded in the purposive actions and ambitions of individuals, relating this to both the internal and external

Figure 5: Processes Driving the Change Phase of a Cycle of Continuity and Change in Pettigrew's Framework


sufficient business/economic pressure(s)
radical strategic change
"crisis"
problem sensing - development of concern/the advancement of a perceived performance gaps between the content of existing strategies; management processes and some change in the environment(outer context) and the internal context of the organization - action based on outcome of a political process within a specific cultural context
organizations as multi-level systems of political activity such that the content of strategy is shaped in part by the interests & commitments of aspiring individuals and groups
cultural framework of of organization
structural & systemic frameworks of an organization
political constraints
change as a product of processes which recognize historical & continuing struggles for power and status which on the surface are represented by a striving for rational-problem solving, technical improvements & organizational efficiency
content of strategy is ultimately a product of a 'legitimation' process shaped by political/cultural considerations within a specific business/economic environment and expressed in rational/analytical terms
individual level: career, rewards & status systems
group level: division of work leads to interest groups

functioning of the organization. He has also tried to address how the forces for stability and change exist inside and outside the organization. This is done acknowledging time as the 'key historical accounting system'.

6. RESEARCH STRATEGY

Research Design and Sample

At the beginning of this thesis it was noted that Hinings and Greenwood argued that the management of change will be of increasing rather than of decreasing importance, but that the process tends to be undermanaged due to a lack of systematic frameworks. It is an interest in the possibility of better understanding and therefore managing the process that is at the heart of this thesis. The studies summarized above represent recent pieces of empirical work that take steps toward the potential development of systematic frameworks that may help managers to better understand and manage the process of strategic organizational change. However, the four studies whilst having in common many basic ideas diverge in their emphasis, exposition and development of detail, resulting in a large quantity of possible propositions that might be explored.

It was not the intent or within the scope of the present work to pursue such a potentially broad and complex research strategy. Rather the intent was to empirically explore some of the basic themes identified in the framework summaries found above with a view to drawing some conclusions as to their usefulness in better understanding and managing the process of strategic organizational change in the specific organization studied for this thesis. The organizational elements related to these basic themes are listed in Table 5. Data relating to the organization under study was collected for each of these elements and then used to explore the basic themes suggested by the four frameworks. The usefulness of this process in understanding and

Table 5. External and Internal Organizational Elements Measured in the Study.

I. External Elements

1. Business Context
   Institutional environment/common industry practices (Hinings & Greenwood; Miller); business forces (Pettigrew); competition (Miller); customer pressure (Miller).
2. Economic Context
   Economic forces (Pettigrew, Tushman & Romanelli).
3. Socio-Political Context
   Socio-political forces (Pettigrew, Tushman & Romanelli).

II. Internal Elements

4. Core Values and Beliefs
   Interpretive scheme embodied in organization's structure and systems, commitment to interpretive scheme(s) (Hinings & Greenwood); values, assumptions and beliefs of leadership (Miller); dominating rationalities or core beliefs (Pettigrew); core values and beliefs (Tushman & Romanelli)
5. Strategy
   Strategy (Tushman & Romanelli); strategic commitments (Miller).
6. Ownership
   Ownership (Hinings & Greenwood)
7. Size
   Size (Hinings& Greenwood)
8. Structure
   Structure (Miller); structure, (Tushman & Romanelli); structure of roles and responsibilities, (Hinings & Greenwood); integrative or segmentalist structures (Pettigrew)
9. Systems
   Systems (Miller); decision systems, human resource systems, (Hinings and Greenwood).
10. Power
    Power dependencies (Hinings & Greenwood); power distribution, control systems (Tushman & Romanelli).
11. Political Processes
    Political processes (Pettigrew); interests (Hinings & Greenwood).
12. Organizational Capacity
    Leadership capacity, organizational knowledge & skill base (Hinings & Greenwood)

managing strategic organizational change in the organization under study will form the concluding discussion of this thesis.

As noted in the introduction the study is limited to looking at the development of one particular organization based on personal interest and involvement in managing that organization over a six year period. The organization in question is a private, non-profit social service agency that operates across the Province of Alberta. The organization was founded in 1975 and currently offers services to some four hundred individuals whilst employing approximately 250 staff and operating with a budget of six and a half million dollars.

The broad themes that provide the framework for this study were captured by Pettigrew (1985) when he argued that organizations develop through different cycles of continuity and change within a context of shifting business and economic factors as well as changing social and political forces which both enable as well as constrain organizational development. His findings supported the strong inertial properties of organizations that lead to continuity and the considerable difficulties that organizations face in changing established ways of understanding and behaving toward their environment. There is a strong emphasis on the importance of time in understanding organizational development. Change is constrained as well as facilitated by what has gone before and what is perceived to be in the future.

This broad brush stroke summary of Pettigrew's findings is supported by the other studies reviewed in this thesis. Miller emphasizes the momentum toward continuity as

organizations extend and amplify initial strengths that facilitated a fit with their environment such that individual organizational elements tend to cohere to produce 'integrated thematic configurations' that resist reorientation. Hinings and Greenwood likewise argue that organizations are not a loosely coupled clustering of structural properties but tightly interdependent and mutually supportive elements that form archetypes where structure and systems are closely linked to underlying interpretive schemes. As reported in their findings the transition for one archetype to another may not be easily achieved. Similarly Tushman and Romanelli's punctuated equilibrium model argues that organizations develop through convergent periods punctuated by strategic reorientations or recreations. The verification or refutation of these broad frameworks in relation to the organization under study was the principle task of this research process.

Within these themes it is possible to explore some of the anticipated detailed processes of continuity and change suggested by the proposition that organizational development is cyclical with longer periods of convergence punctuated by shorter periods of radical change. This presented some problems from the outset of the thesis as the issue of periodicity comes into play. There is no sense that there are specific time periods for the cyclical phases. This study proposed to retrospectively look at the organization over the period of 1975-1993 with a view to possibly identifying periods of stability and change. Prior to commencing the study the history of the organization suggested four phases: commencement of the organization; the initial expansion of the organization and eventual exit of the founders; a significant change of senior management and leadership style resulting in a serious organizational

crisis; reestablishing the core values of the organization with a major change in senior management and the continued growth of the organization. Whilst I had anticipated that there had been at least one reorientation in the organization this remained to be demonstrated using the frameworks reviewed. Nevertheless the intent was clear. To explore the phases of stability and change within the organization over that time period.

The elements identified in the summaries of the four studies were measured at five selected points: 1978, 1984, 1986, 1988 and 1992. The dates were chosen as representative of phases noted from the handed down history of the organization. The first date as representative of the early stages of the organization once it had established itself. The 1984 date follows a period of expansion and a sense by one of the founders and then Executive Director that a different type of leadership and organization was required. In 1986 the new Executive Director had had an opportunity to become established. By 1988 the management and leadership of the organization had again significantly changed. The 1992 date was chosen as representative of the end of the period under study.

As noted above the study was retrospective and hence has the inherent weakness of possibly tending to select and interpret events with the benefit of hindsight. In addition as I started this study I did not possess a clear idea of what documentation, and to a lesser degree, which personnel would be available.

Methods, Measures and Data Collection

The methods of data collection used were: interviews,

documents and personal observation. Due to high organizational turn over only a limited number of people were available for interview. The seven individuals interviewed included a 'founder' and original manager; a long serving Board Member; a senior manager from the Department of Social Services; a senior manager from the organization under study; and three Program Supervisors with between five to ten years experience with the organization. The shortest interview lasted approximately one hour, the longest interview approximately three hours. Documents were scarce and used on an as found basis. Questionnaires were not used as there were only a relatively small number of people perceived as key or available to the data collection process. Sources are listed in Appendix 1 and questions used in the data collection are listed in Appendix 2. The measures used for each of the elements listed in Table 5 were as follows:

1. Business Context:

Institutional environment/common industry practices:- Originally the Department of Social Services operated all services within the Public Sector. As privatisation commenced contracted agencies were strongly, and perhaps increasingly, proscribed as to their core values and beliefs, structural and system design options due to developing legislation and a need to obtain legitimacy as a valid alternative to the 'professional' Public Sector. Such organizations were and continue to be heavily dependent upon the Department as their source of revenue, thereby increasing the Department's influence. The subsequent development of professional associations of private agencies has probably also played a significant role in determining the manner in which organizations operate. This element was measured by describing the development of the private social

service sector across the Province with respect to interpretive schemes, structures and systems using the five dates as a means of developing an adequate profile for the study.

Business forces, Competition and Customer Pressure:- These elements were understood as meaning the same in the present context. Customer pressure in the area of privatized social services is essentially that exerted by the Department of Social Services and is done primarily by controlling the form and amount of competition between Agencies. In effect the Department has control over which Agencies enter the market place and how they must compete through the process of contracting. This process was documented as it was found for the five chosen dates.

2. Economic Context:

Economic forces:- These were understood in the present context as expenditure decisions made by the Provincial Government with respect to the Department of Social Services and subsequently by the Department with respect to allocations to the Private Sector.

3. Socio-Political Context:

Socio-political forces: Through interviews individuals were asked about relevant socio-political forces in play at each of the five selected dates. Any available concurrent documentation was also reviewed for evidence of active socio-political forces.

4. Core Values and Beliefs:

Interpretive scheme embodied in organization's structure and systems; values, assumptions and belief of leadership; dominating rationalities; core values and

beliefs:- In the present context for purposes of measurement it is argued that the elements listed above are contained in the measurement of the interpretive scheme embodied in the organization's structure and systems. Hinings and Greenwood's (1988) view that archetypes are configured structures and systems expressing underlying values is reflected in the other three studies reviewed in this thesis. Miller (1990) describes individual organizational elements tending to cohere to produce 'integrated thematic configurations' where the theme's origin might be a leaders vision, values and concerns of powerful individuals or departments, or common industry practices. Greenwood and Hinings (1992) note that Tushman and Romanelli (1985) underscore the importance of the development of new values, norms, beliefs, and rationalizations which support new strategies, structures and systems. Further that their concept of convergence implies that the structures and systems of organizations are formulations of values which provide both a logic and momentum for the organization. With respect to Pettigrew (1985) they note his argument for dominating rationalities or core beliefs articulated through structural design and organizational processes.

In their unpublished paper Greenwood and Hinings (1992) also argue that the search for archetypes should start within an institutional sphere or industry sector. The logic behind this goes back to an argument originally developed by Meyer and Rowan (1977) who suggested that organizations will tend to conform to sectoral rules and requirements for reasons of legitimacy and resource flows. This reasoning, subsequently developed by other authors, appears to fit with the organizational sector under review as suggested above in considering the institutional environment.

Using Greenwood and Hinings (1992) strategy the first stage in analyzing the research data relevant to archetypes would be to identify possible sectoral interpretive schemes that provide a template(s) for individual organizations. The second stage to examine whether the organizational arrangements of the specific organization under study correspond to the template(s) for the five identified dates.

In collecting data the semi-structured interviews and documentary analysis addressed the elements identified by Greenwood and Hinings (1992) as core values, domain, principles of organizing and self-evaluative criteria.

Commitments to Interpretive Scheme(s):- Greenwood and Hinings (1992) make a distinction between values and beliefs (the interpretive scheme) expressed in the organization's structures and systems at any particular point in time, and the extent to which organizational members are committed to the prevailing ideas and values or to alternative interpretive schemes. Whilst this was perceived as a potentially relevant element it was not measured due to the large turn over and subsequent unavailability of adequate staff for the period under study that would have made measurement possible. Some subjective observations are made based upon personal knowledge and hearsay.

5. Strategy

Strategy; strategic commitments:- This was measured using interview data and any available documentation on formal attempts to develop and use a strategy or strategies in dealing with the environment at the dates under consideration.

6. Ownership

Ownership:- The organization is non-profit and therefore headed by a Board of Directors. This has not changed over the seventeen year period but its form, membership and role has changed. Also over the same period the type of accountability both within and outside of the organization has developed. These changes were noted for each of the identified dates.

7. Size:

Size:- Size was measured by number and location of programs as well as approximations of the numbers of staff at each of the identified dates.

8. Structure:

Structure; structure of roles and responsibilities; integrative or segmentalist structures:- For the five chosen dates the organizational structure was described in terms of roles and responsibilities. In addition, using Kanter's criteria as proposed by Pettigrew, the structure was assessed as to whether it should be labelled integrative or segmentalist at each of the dates based on an assessment of the encouragement/empowerment of change within the organization and the presence of idea exchange systems.

9. Systems:

Decision systems:- Decision making authority and process in service delivery, budget expenditures and personnel management was described for each date.

Human resource systems:- Basic criteria for recruitment, career development and compensation were noted for each of the five dates.

10. Power:

Power distribution, power dependences:- Following Hinings and Greenwood (1988) an analysis of organizational documentation, supported by interview data was used as a basis for measuring the centralization of power (the hierarchical locus of power) and coherence (the extent to which decisions are made by a small rather than large number of people) with respect to organizational policy and strategic direction.

11. Political Processes:

Interests/Political Activity:- This was a difficult element to measure in so far that it suggested by Pettigrew that it is often camouflaged under the headings of rational problem-solving, and the apparently neutral and uninterested language of efficiency and effectiveness. Within the present study it was hard to measure simply by resource control and power in any straight forward way as there are not multiple departments competing for organizational resources and in any case financial resources allocation is highly proscribed by Departmental contracts. This area was explored by semi-structured interviews focusing on political processes related to any perceived processes of reorientation or recreation arising from the study.

12. Organizational Capacity:

Leadership capacity:- Leadership was measured within an interview process, using the criteria suggested by Hinings and Greenwood (1988) in evaluating whether the leadership was transformational, transactional or a mix. For transformational this included an articulated vision; an understanding of the behavioral, cultural as well as structural change being undertaken; some degree of thought to process including behavioral and commitment issues and

skills, as well as technical designing. Transactional leadership was measured by a lack of vision, understanding and skills, with change seen in technical design terms.

Knowledge and skills:- This was measured by reviewing the experience and educational backgrounds (including formal and workshop/seminar work completed) of the Board, management and supervisory staff at each date.

Analysis of Data

As noted above, following a summary of the collected descriptive data the organization under study will be analyzed below from the perspectives of the four frameworks. Within the broad framework of proposed cyclical development discussed in the introduction to this section, the first logical task in this process appears to be the definition or adequate description of the entity in question. To track development one needs to have an adequate grasp of what the entity looks like at a given point in time so as to recognize continuity or change at a different point in time. This appears to be Hinings and Greenwood's (1988) understanding in that the first task undertaken in their study was to establish the existence of design archetypes and describe their overall form in the specific setting of their study. Greenwood and Hinings (1992) argue that the development of interest in archetypes is necessitated by an interest in organizational change. Similar to the line taken above they argue that 'in order to get to grips, analytically and empirically, with strategic organizational reorientations, it is necessary to conceptualize the scale of change. The concept of archetype gives a basis for doing this', (p.3).

As such the first step in reviewing the findings of this study is to establish the existence of 'design archetypes' / 'thematic configurations' / 'strategic orientations', as described in the summaries. Descriptive data from appropriate elements will then be analyzed using the four frameworks to explore some of the basic themes relating to the dynamics of stability and change as found in the organization under study. Based on this exploration their usefulness in understanding and better managing the processes considered will be briefly discussed.

7. RESEARCH FINDINGS

I.External Elements

Business, Economic and Socio-Political Context:

Using a broad brush stroke approach in understanding the development of agencies as providers of social services three themes or practices are important: the 'grant' system; contracting and competition; contracting and 'partnership'. Starting some time around the early 1960s the Provincial Government started to fund private agencies through a 'grant' system. Three or four agencies around at that time and operating from endowments and fund raising initiatives started to use grant monies to run their programs. In 1978 the grant system was still operating and continued to do so into the early 1980s. Kinkaide, the Director of Corporate Development, Alberta Family and Social Services (1985) notes that the 1970's can be characterized as 'a period of growth and prosperity and a period of increased service demand...(a move toward) deinstitutionalization'. A Conservative government was perceived as favouring private sector initiatives. The political environment, grant system, prosperity and increased demand for services appear to be the elements that fostered the growth of the private sector. The larger agencies that had been around since the 1960s would set the tone for how newer organizations would organize to develop credibility with the grant making authorities within the Department. The basic design was and is an Executive Director along with supervisors for each residential or service program. Then, dependent upon size, there may be a middle management layer and some functional departments of which the most common is Finance and Administration. The service domain of agencies at this time

was in the area of providing out of home 'residential' services to youth who could not be cared for by their families. The grant system operated on the basis of identifying 'gaps' in service provision to youth and families and then requesting grant monies to meet that service need. This was the manner in which the agency under study started life in 1975. Four students graduating from a diploma program were able to submit a proposal for a 'group home' facility operated on 'humanistic' principles and were given a grant. In 1978 after a visit to a program in Ontario they were able to identify a need for services to youth making the transition from Care to independence and received grant monies for a Supported Independent Living program. The evident self-evaluative criteria was the meeting of an identified need of youth for social services.

By 1984 the recession had hit Alberta and a shift in the environment can be noted when Kinkaide, (1985) writes

> 'the Department remains committed to the development of comprehensive, community-based services and to the usage of existing generic services as an alternative to institutional care. Such services are deemed more responsive to local needs, to more actively foster volunteerism, and should therefore offer a higher quality of service at a lower cost...(other services currently managed by the Department) are under review to determine if additional efficiencies may be realized through their delivery in the non-public sector. Further expansion of the non-public sector in service delivery is contingent upon: (1) the presence of community enterprise, (2) the assembly of a good business case, and (3) the development of cost and quality standards.'

He later writes of

> '...strengthening Alberta's market forces in the social service sector...thereby leading to an increase in inter-agency competition, a strengthening of service accountability, with an increase in service quality, and containment of service costs...the development of a more creative, flexible, and innovative approach to service development and delivery...as governments have increased the contracting out of their services, considerable literature has developed regarding the effectiveness and economics of privatization.'

This was the period of contracting and competition as a means of containing costs. Recession had led to a dramatic rise in unemployment from under 4% to over 12%. There had been a dramatic swelling of departmental caseloads. There was pressure to improve the overall utilization of existing budgetary resources. At this time there was the perceived potential for large scale privatization. In addtion to the change in fiscal environment, the service environment changed in 1985 with a new Child Welfare Act that clearly delineated the service responsibilities of the Department of Social Services. This moved the Department away from the 'identified need' or 'service gap' approach.

In 1986 the Alberta Association of Social Workers published a position paper taking issue with the privatization process noting the need for improved standards and accountability in the contracting process. They questioned the process as being simply driven by an ideology of 'market is better' and a 'desire to reduce the power of workers and unions'. They also predicted a 'loss of autonomy of voluntary agencies' as they became dependent upon one primary source of revenue that could be easily removed through the tendering process.

Table 6. Summary of External Elements

	Business Context	Economy	Socio/ Political Forces
1978	Domain:Meeting service gaps perceived by agencies Organizing: Influenced by existing agencies Business Forces: Non - 'grant system' Services: Mainly Residential	Buoyant	Supportive of private enterprise
1984	Domain:Mixed - service gaps perceived by Department/Agency Organizing: Established way of structuring Business Forces: Increasing - contracting Services: Mainly Residential	Recession	Elements in Department supportive of privatization
1986	Domain: Department meets legislative requirements Organizing: Established way of structuring, increasing emphasis on professional qualification	Fiscal restraint	Elements in Department strongly supportive of privatization

	Business Forces- Competitive tendering/ contracting Services: Mainly Residential. Some Family Support		
1988	Domain: Department meets legislative requirements Organizing: Established way of structuring, increasing emphasis on professional qualifications Business Forces- Competitive tendering/ contracting. Efficient innovation Services: Mainly Residential. Some Family Support & Foster Care	Fiscal restraint	Elements in Department strongly supportive of privati-zation
1992	Domain: Department meets legislative requirements Organizing: Established way of structuring. Established professional qualifications.Stronger fiscal controls and Service Standards Business Forces- Tendering/contracting. Efficient/effective innovation. "Partnership". Services: Decreasing Residential. Increasing Family Support & Foster Care	Recession	Elements in Department supportive of privati-zation Public/ private "partner-ship".

By 1988 this initiative was in full flow. Although not consistent across the Province there were now stronger contracting frameworks stipulating in detail the content and form that services should take and tighter control was being exercised on the program budgets. A Contract Management Manual was being developed by the Department to increase standardization and control; "Core Standards' for service practice were also under development and various accreditation processes were evident.

Innovative activity was also more evident as the Department looked for more effective and efficient ways of delivering services. The range of services delivered by the private sector had expanded beyond Residential and Supported Independent Living services into Family Support services and by the latter half of that year into Foster Care.

In 1992 the fiscal environment had not changed but the theme of 'competition' had become more subdued. In the context of further cutbacks and a restructuring of the Department, the Deputy Minister of Social (June,1992) services spoke of "partnerships",

> '...linking up with non-governmental stakeholders...(giving) them equivalent significance...perhaps in many cases more...because (they have) a more direct contact with the general public...(but this is within the context of) accountability and stewardship ...over resources by emphasizing results through the 5 e's (economy, efficiency, effectiveness, equity and environmental sensitivity)...(the need for) disciplined innovation.'

Privatization appears to be still on the agenda but not on

the scale that was intimated back in 1986.

II. Internal Elements

Core Values and Beliefs:

Both a founding member of the organization and a founding Board Member emphasized that in 1978 the organization had a 'humanistic' philosophy as its core value. There was a sense that services provided to children in care were too institutional and custodial in practice. Graduating from the Grant MacEwan diploma in Child and Youth Care, the founding group wanted to focus on the needs of youth in a more 'caring manner, giving them input into the process and meeting their individual needs'. The original motto for the Agency was "Giving, Security, Trust, Acceptance".

These values spilled over into the Agency's organizing principles. They wanted to hire staff who had a strong identity with the core values. In addition there was a strong sense of equality between staff. Although one was designated Executive Director and a second the Assistant Executive Director all original employees received the same pay. A key motto for staff appears to have been that "Around here we all clean toilets". This was a phrase that was still in use when I joined the Agency in 1987. Self-evaluation, as noted by the founding Board Member, was seen as resting in the Executive Director's values and vision with respect to serving youth balanced with a sensitivity to meeting Departmental needs.

These values were still seen as strongly present in 1984. Two of the original founders were still involved with the Agency in the positions of Executive Director and Assistant

Executive Director. An internal document on Professional Practice stated that the Agency's 'prime mission is to promote the development of life skills and responsible behaviour in youth who are having difficulty functioning in the family, the school or in the community...based on a humanistic philosophy.'

However in the area of organizing principles there were changes underway. In 1982 the Agency had completed a study of other agency and government structures and pay systems. A management structure was more formally implemented and a salary scale introduced. A visit to Ontario led the Agency to come into contact with a large, well established child welfare agency that had developed a range of training materials on managing a child welfare organization. These were seen as compatible with the Agency's philosophy and a means of improving its professional management. Materials were purchased and the Ontario agency was contracted to provide training. Interviewees emphasized the on-going values of caring and respect for staff -the 'humaneness' of the organization- but also noted the introduction of the themes of efficiency and effectiveness. There was a push toward increasing systems, training and organizational development and a move away from the "family" atmosphere. Some perceived resistance from staff was noted in the interviews and evidence of the internal debate on this development was also found in a message from the President of the Board in a contempory Annual Report that notes:

> 'an interesting dynamic,and one that has caused much pain and anguish for several staff and (board)members, Reference is made here to the push and pull between the wish to safeguard the unique character of (the Agency) on the one hand and, on the other, the need to make

changes in the structure and modus operandi of the organization to increase effectiveness and efficiency'.

One interviewee reported that the organization was growing fast and that there had been some internal and external 'grumblings' about the Executive Director's ability to now manage this size of organization. However a strong general sense that the well being of kids was still seen as the main criteria for success was evident but with a greater emphasis on more formal evaluation and organization.

By late 1984 the Executive Director had resigned. In the early part of the year he had initiated discussion with the Board of the need for increased management skills in the leadership of the organization and that to meet that need there should be a new Executive Director.

In 1986 with a new Executive Director in place and the position of Assistant Executive Director abolished, a Board Member noted that although there had been no desire by the Board to move away from the core values, there was a perceived change in the "style" of the new Executive Director. When compared with the previous incumbent the new Executive Director was perceived as demonstrating less personal compassion for the youth and was seen as more business like. Individuals remembered the cancellation of a gay youth support group because it was politically too risky. This was clearly seen as out of step with the Agency's core values. Whilst the values of the senior management team were perhaps changed, nothing really changed in this period with respect to domain of operation - that is services to youth. What was clear then was a sense that the perceived core values were not as closely held by the new Executive Director. Success for the Executive Director was

perceived as building up the size and power (both political and financial) of the organization.

It was in the area of the principles of organizing that the Agency saw the biggest changes. One interviewee recollected that one of the first training sessions following the arrival of the Executive Director focussed on how to document performance problems and then take disciplinary action. Previously developed training materials were set aside. The new Director was perceived as having a strictly business approach compared to the very personable and caring style of the previous Executive Director. Interviewees recalled high levels of tension and fear that spread through the organization.

The Director exited the organization in early 1987. In choosing a new Director the Board had wanted a full return to the core humanistic values held by the organization with respect to working with youth and managing staff, but also wanted to continue with the development of a more professional management of the organization. The 1988 annual report reflected this concern in talking of a new Board structure that is more responsive to staff and client needs and the new Executive Director noting that,

> 'The Agency has been actively engaged in increasing communication between the various staffing levels...having greater staff participation in decision making and planning activities...initiating activities which increase the interactions between managers, supervisors, front line staff and volunteers.'

With respect to domain the agency continued to work with

youth and emphasizes the core client-centred approach but at the same time began distancing itself from the humanistic language previously used by using more contempory terms such as individualized services, support networks, a normative re-educative approach. There was the beginning of discussion for the need to evaluate programs and this element was identified in Service Contracts with the Department, however little action is evident at this time. The self-evaluative criteria was perceived as the ability of the organization to survive over the near future.

The Agency's 1992 Mission Statement whilst lengthier than that in 1984 bears remarkable similarities to the mission statement and expressed values of that earlier time:

> 'We assist disadvantaged children, youth and families across Alberta develop skills and support systems to function independently and responsibly in their community.
> -We will treat clients and staff with respect and sensitivity
> -We will work in partnership with clients and the community
> -We will adapt services to the needs of each individual
> -We will meet the service needs of our client group
> -We will use the human and financial resources in an effective and responsible manner
> -We will exercise advocacy and leadership within the child welfare system
>
> Our values: Quality of service. Commitment. Respect. Empathy. Integrity.

What is also of interest in this Mission Statement is what

Table 7. Summary of Core Values and Beliefs

	Values/Domain	Organizing Principles	Self-Evaluation Criteria
1978	Values: Humanism/ client-centred Domain: Youth services	Caring. Egalitarian. Consultation. Respect. Family.	Perceived well being of kids
1984	Values: Humanism/ client-centred (core). Domain: Youth Services.	Caring. Hierarchy. Consultation. Respect. Introduction of more organizational systems, training,development 'professionalism'. Family?	Perceived well being of kids. Some formal evaluation.
1986	Values: Clinical/ client-centred (surface). Domain: Youth Services.	Authoritarian.Hierarchy Autocratic. Introduction of new organizational systems, training,development 'professionalism' but from different value base.	Formal evaluation Growth in size and influence.
1988	Values: skill development supports client-centred. Domain: Youth/Family Services.	Hierarchy.Caring/Respect Limited consultation. Introduction of organizational systems.	Survival
1992	Values: skill development supports client-centred. Domain: Youth/Family/ (Persons with Disabilities) Services.	Hierarchy.H.R.M.. Org.consultation. Policies and procedures.	Various elements Not perceived as coherent

is missing. At this point in time approximately 50% of the Agency's revenue was generated by community services to persons with disabilities who range in age from 10-40 years of age. Whilst the Agency has increased its acknowledged domain from youth to children and families it was unable at this point in time to acknowledge working with adult persons with disabilities in its Mission Statement. Over the past three years several members of the Board have struggled with how this service area fits within the Agency's original domain of operations.

With respect to organizing principles the Mission Statement captures much of what was valued pre-1986. One interviewee commented that there is 'a more complex organization to manage due to diversity and size but that values are maintained'. Another that 'the (organization's) values are still present but that there is a greater emphasis on the business side of the operation'. This is reflected in a greater formality in the organization, governance by Policy and Procedure and more formal systems such as an H.R.M. framework, Service Delivery framework, Decision-making framework and so forth. With respect to self-evaluation the Agency currently appears to be in transition. One interviewee noted that there is no coherent system in place, just elements and that this is unsatisfactory. This was confirmed by another who was not sure but noted that there seem to be lots of small initiatives at the program level but no overall criteria.

Strategy

In 1978 a Founder of the organization described a three fold strategy of building credibility with funding sources; with expansion develop an adequate organizational structure; and

Table 8. Summary of Organizational Strategies

	Strategies
1978	Identify gaps in services to youth and then acquire funds to provide those services.
	Develop credibility with funding source.
	Develop adequate organizational structure given expansion of organization but maintain core values
1984	Identify gaps in services to youth and then acquire funds to provide those services.
	Maintain credibility with funding source.
	Develop "professional" organizational systems given expansion of organization but maintain core values
	Build on success of existing programs
1986	Compete for service tenders and identify gaps in services to youth and then acquire funds to provide those services.
	Continue to increase funding base.
	Develop a more "professional" organizational structure and systems given size of organization.
	Build on success of existing programs
1988	Compete for tenders to ensure viability of Agency but also based on perceived quality and usefulness of services to youth and families in line with Agency values.
	Negotiate adequate funding base.
	Develop "professional" organizational structure and systems given size of organization but maintain original core values of Agency.
	Build on success of existing programs
1992	Improve efficiency and effectiveness of existing programs, building on evolving core values of the Agency. Selective expansion
	Maintain existing funding base. Search for efficiencies.Provide good service to Dept..

identifying gaps in services to children and then acquiring funding to provide those services.

By 1984 there was a more sophisticated strategic process in place but essentially the same elements: identify and then fill perceived service gaps; build on success of existing programs; develop "professional" organizational systems but maintain core values; maintain relationship with funders.In 1986 the previously described strategic process had come to an abrupt stop and the strategic process became centred in the Executive Director. This was a time when many proposals for services were submitted to the Department and a sense that the Agency was 'empire building'. Minutes from the Annual Meeting (September, 1986) report that the Agency had undergone substantial growth, that a Foundation had been established to increase the fundraising capabilities of the organization; and difficulties around budget negotiations were noted but not over emphasized. An internal memo from December however emphasized serious concerns over the negotiation process and the possibility of large scale re-tendering of the organization's programs. The Executive Director with support from the Board, and similar to two other organizations, launched a public campaign to stave off perceived funding cuts. As with 1984 there was an on going focus on the development of a "professional" structure and systems. However there was clearly a different understanding of the word "professional" or at least of its underlying values. There was a clear change in the strategy of managing staff in the organization as noted in the previous section.

By 1988 the organization had undergone the threatened re-tendering process. With the exception of one person the whole management team had been replaced and budgets had been slashed due to the re-tendering process. With serious

financial concerns and a lack of systems and processes caused by the abrupt break in the continuity of the management team there was a scramble to save the organization. A new Executive Director had been recruited from the Department's Corporate Head Quarters. The strategy was threefold. To financially stabilize the organization by in the first place negotiating adequate administrative funding, and secondly by expanding the contract base of the organization whilst respecting it's core values. To develop new and distinct Service Philosophy that captured Agency's perceived core values but which also reflected the values and beliefs the new management team believed were important to the organization's survival. Finally, to ensure that existing programs were functioning at an acceptable level to stave off any further re-tendering.

The 1992 year saw an ongoing emphasis on building on the work commenced in 1988. A new organizational structure was implemented that expanded the management decision making team to include program supervisors of the large Agency programs. The strategic focus was on 'incremental' improvement, 'fine tuning' of service quality whilst maintaining cost structures and being responsive to Departmental needs. There is a clear idea at the management level of the organization that the Department is the customer, the purchaser of services and that the organization must be responsive to its needs. There is a strong sense that the Department now identifies service gaps in its legislative responsibilities and must fill those gaps in a cost effective manner. In developing service proposals the Agency attempts to address both the needs of the client and the Department, as it attempts to control costs whilst maintaining standards.

Ownership

As a non-profit organization the Agency has been headed by a Board of Directors. The structure however has changed over this period (see Table 9).

In 1978 there was only a small local Board based in Edmonton. By 1984 there was Provincial Board made up of eight members including a President, Treasurer, Secretary and Branch Board representatives.

As an addition to the Provincial Board, Branch Boards were started in 1982 to replace Advisory Boards that had developed around 1980. These Boards were located in each geographical area where programs operated. This structure continued in 1986. There appears to have been a considerable amount of jockeying for power between the two levels of Board. In addition, although the Board has always been designated as a 'policy' Board, at different times over the life of Branch Boards there did appear to be a tendency to become involved in the management aspects of the organization. This was specifically the case with the Branch Board structure in 1984 (see Table 10). The role of Branch Boards appears to have been down graded somewhat by 1986 in so far as they were removed from direct management supervision and renamed Regional Boards (see table 10).

Table 9. Summary of Ownership and Size

Ownership		Size		
		Number Programs	Staff	Location of Programs
1978	Local Board based in Edmonton	3	16	Edmonton
1984	Provincial Board & Branch Boards in program locations	8	40	Edmonton Calgary Pict.Butte Med. Hat
1986	Provincial Board & Branch Boards in program locations	10	50	Edmonton Calgary Pict.Butte Med. Hat
1988	Provincial Board	14	60	Edmonton Calgary Pict.Butte Med. Hat Camrose
1992	Provincial Board	19	250	Edmonton Calgary Pict.Butte Med. Hat Camrose High Level Innisfail

However, this last issue was still a concern even in late 1987 when the Executive Director wrote to the Board that 'Regional Managers are experiencing role confusion regarding lines of accountability. At times they find themselves reporting to Regional Boards, the Provincial Board and the Executive Director. At times these three areas give managers conflicting directions'. It was at this time that the Board was restructured. At a retreat held in late 1987 it identified the need to be in closer touch with the operations of Agency programs, staff and clients; to develop a clearer relationship between management and Board and to conduct its operations with a minimal use of staff and financial resources. The result was a Board structure that came into effect in early 1988 and remains in effect through 1992. There was one Board established at the Provincial level comprised of an Executive Board made up of the President, Vice-President, Treasurer and Past President and the full Board comprising the Executive and up to 16 program representatives.

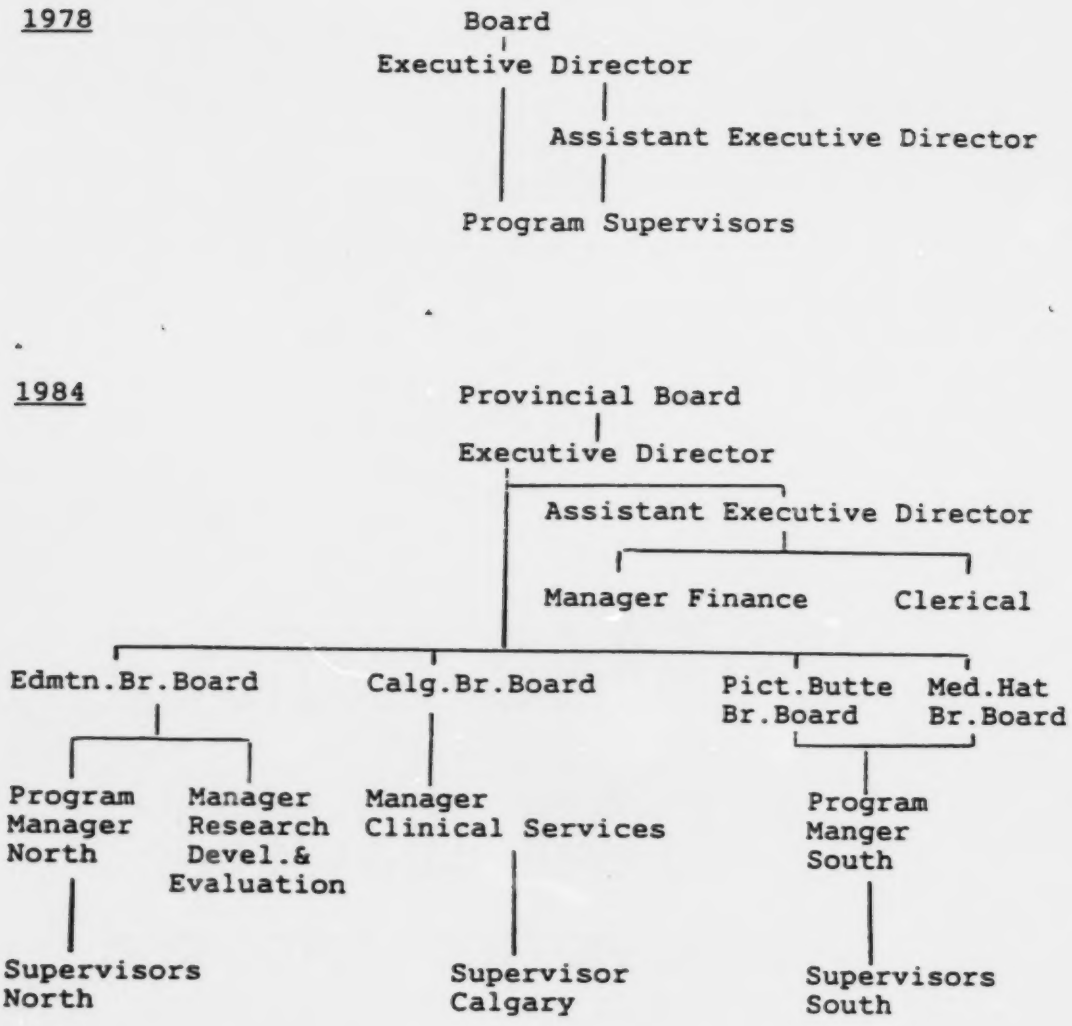
Size

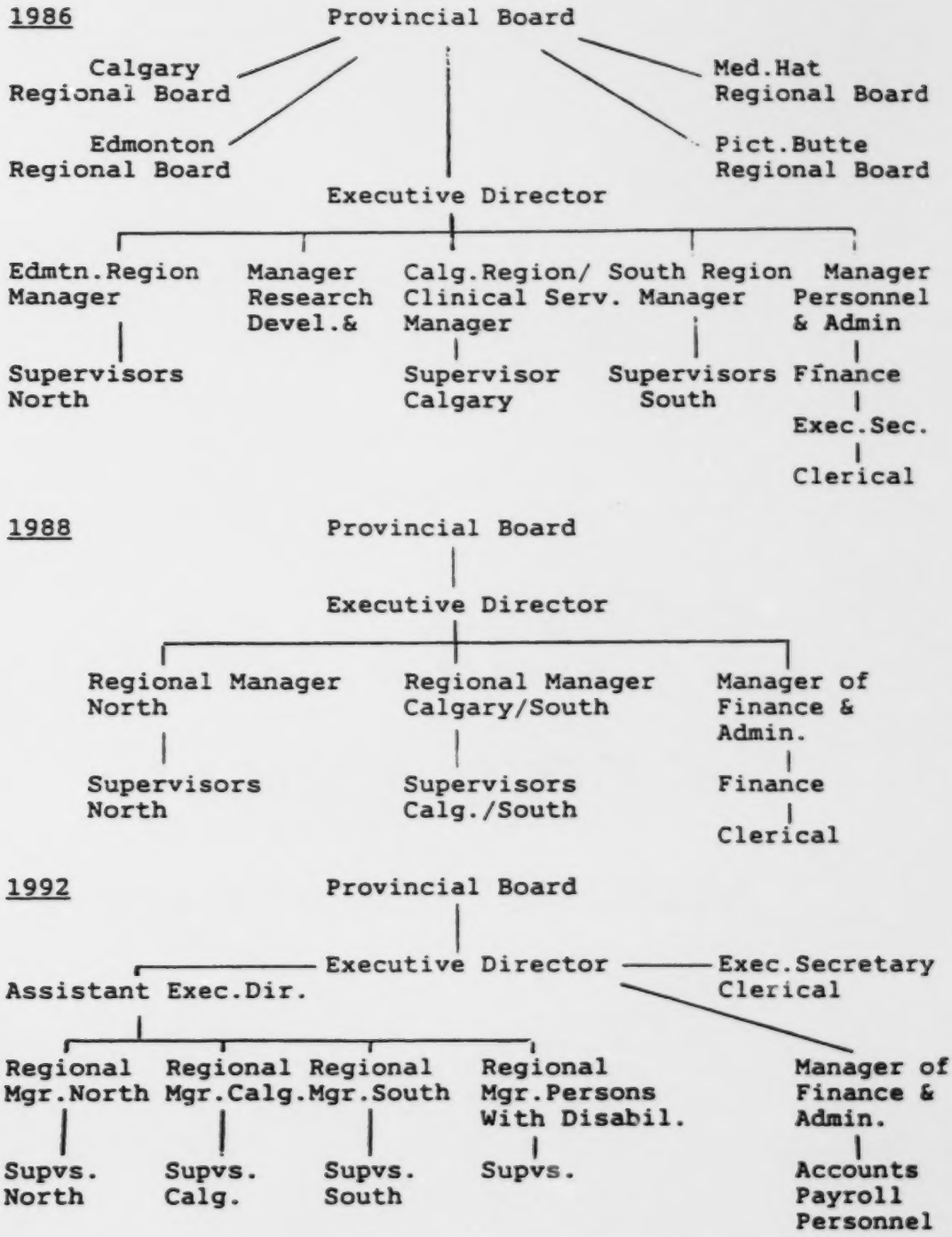
Size is noted by number and location of programs as well as approximations of the number of Agency staff at each of the identified dates (see Table 9).

Structure

For each of the identified dates the organizational structure in terms of positions and reporting lines are shown in Table 10.

Table 10. Summary of Organizational Structures




1986
Provincial Board
Calgary Regional Board
Edmonton Regional Board
Med.Hat Regional Board
Pict.Butte Regional Board
Executive Director
Edmtn.Region Manager
Supervisors North
Manager Research Devel.&
Calg.Region/ Clinical Serv. Manager
Supervisor Calgary
South Region Manager
Supervisors South
Manager Personnel & Admin
Finance
Exec.Sec.
Clerical
1988
Provincial Board
Executive Director
Regional Manager North
Supervisors North
Regional Manager Calgary/South
Supervisors Calg./South
Manager of Finance & Admin.
Finance
Clerical
1992
Provincial Board
Executive Director
Exec.Secretary Clerical
Assistant Exec.Dir.
Regional Mgr.North
Supvs. North
Regional Mgr.Calg.
Supvs. Calg.
Regional Mgr.South
Supvs. South
Regional Mgr.Persons With Disabil.
Supvs.
Manager of Finance & Admin.
Accounts Payroll Personnel

Throughout the period under consideration whilst some reporting lines have changed, the roles and responsibilities have not changed significantly. Specifically the role of Executive Director has always had overall responsibility for the organization and an external focus on the Agency's environment. The Assistant Executive Director has had a broad operations focus. The Manager of Finance and Administration has remained focussed on the areas noted in its title. Regional Managers have always played the role of regional program management, supervision, development and public relations. Supervisors have always focused on the specific management of an individual program. As certain programs have expanded this role was classified at two levels reflecting increased responsibilities for Supervisors of large programs. This latter group was included as part of an expanded quarterly management team meeting that looks at key strategic issues as of late 1992.

What has changed over this period is the degree to which the organization has encouraged and empowered change along with systems that facilitate the exchange of ideas across the agency. This is summarized in Table 11.

Systems

With respect to decision making systems, authority to make decisions in the areas of service delivery, budget expenditures and personnel management was reviewed. In 1978 the authority appeared to be based on a consensual approach

Table 11. Summary of Encouragement/Empowerment of Change and Systems to Facilitate Exchange of Ideas Across Organization

	Encouragement/Empowerment of Change	Idea Exchange Systems
1978	Staff strongly encouraged to identify gaps in services and develop proposals	Located in Edmonton.High level level of contact/ informal exchange contact/exchange between staff
1984	Annual strategic process to identify gaps in services and develop proposals	High degree of informal contact/ exchange between staff at local program level. Annual retreat for all Agency staff
1986	Dictated change	Discouraged. Ideas developed by senior management
1988	Change strongly encouraged but with minimal staff input	Increasing communi-cation throughout Agency
1992	Increasing formalization within Agency. Change empowered/encouraged within broad operational/service framework	Annual Retreat. Enlarged Management Meeting. Regional Supervisor Meetings. Service Area Meetings. Elected Personnel Committee. Finance Committee Current Trends Committee

in the areas of service delivery and personnel management but with financial control principally in the hands of the Executive Director.

By 1984 with the influence of the Ontario agency, Policies and Procedures had been developed for all three areas. This has remained the means of controlling the three areas since that time. What has changed is how far down the organization authority has gone over that period. With the introduction of Policy and Procedures there appeared to be some movement away from the consensus approach to more formal decision making. By 1986 that decision making authority was strongly centralized in the position of the Executive Director.

In 1988 decision making authority was mainly centralized within the Management Team but with some moves to re-instate the authority of Supervisors. Service Delivery philosophy was largely under the control of the Management Team, however day to day decisions relating to specific casework was at the Supervisory level. Budgeting was strongly in the control of management but budget information was now shared with Supervisors. By late that year the Personnel Committee had been formed to review and give input on personnel policies. However membership, though representative of staff positions and regions, was by invitation of the Executive director.

By 1992, but still within the context of Policy and Procedure framework significantly more control is in the hands of the Supervisors in all three areas and the Personnel Committee is a fully staff elected Committee.

Table 12. Summary of Decision Making and Human Resource Systems

	Decision Making	Human Resource Systems
1978	Consensual	Commitment to kids & organizational values. Egalitarian.
1984	Policy & Procedure Mainly Management & Supervisors. Still strong emphasis on consensual approach	Increasing professionalization. Relevant degree or diploma required. Salary scale.
1986	Policy & Procedure Strongly Executive Director	Increasing professionalization. Relevant degree or diploma required.Masters degree for Management Salary scale.
1988	Policy & Procedure Mainly Management & to some degree Supervisors.Select Personnel Committee	Increasing professionalization. Relevant degree or diploma required. Masters degree for management Salary scale.
1992	Policy & Procedure Mainly Management & Supervisors.Elect Personnel Committee	Increasing professionalization. Relevant degree or diploma required. Masters degree for management & Level II Supervisor. Greater emphasis on experience. Salary scale.

Human Resource systems can be summarized as being increasingly based on professional qualifications. Also, perhaps due to increased competition caused by the recession, as well as the maturation of social services as a profession, it is increasingly based on experience. Appropriate Human Service Degrees or Diplomas were an Agency requirement by 1984 and a Departmental requirement by 1988. Masters degrees were required at the management level as of 1986 and of Level II Supervisors as of 1992.

Power

In 1978 there was a strong sense of power held by the staff team although with equally strong leadership from the Executive Director. With expansion, by 1984 there was more formalization and a stronger sense of hierarchy within the organization, although still an emphasis on consensual decision making but now within a supervisory framework. At this point therefore there is a sense of power residing in the Management team but with strong influence from Program Supervisors. There was evident resistance to this direction from some factions of the organization as noted in previous sections. This was also the time when Branch Boards appeared to be very influential in the management of the organization.

The change in power by 1986 was dramatic in that there is a unanimous consensus that it was centred in the position of the Executive Director. By 1988 it appears to have reverted back to the Management team. In 1992 this would still seem to be the case but it is also more fragmented across the organization. The Management team has been extended to include Level II Supervisors. Several Supervisors have strong influence with the Management team. There are a

Table 13. Summary of Power Dependencies/Distribution

	Centralization	Coherence
1978	Decentralized across staff. Consensual approach	Broad. All staff.
1984	More centralized in Management team with Supervisors. influential. On-going debate about changing nature of organization away from 'family'	Management Team with Supervisors influential
1986	Highly centralized in the Executive Director	Executive Director
1988	Management team with strong Board influence	Management team in consultation with the Board.
1992	Management team with increasing influence of Supervisors	Extended Management team

number of Agency, Regional and Service Area decision making groups;as well as full and open communication with the Board of Directors. There is also a broad distribution of power through the Policy and Procedure Manual.

Political Processes

The specific data collected on political processes will be summarized when considering Pettigrew's framework. The data collected on 'interests' was inadequate due to both the small number of interviewees and the retrospective nature of the study. However it is possible to make some broad statements. In 1978 there was clearly a high degree of interest satisfaction across the Agency. Equally clear was the strong level of dissatisfaction at the staff and to some degree management levels in 1986. This was not necessarily the case for the Board who had been successfully kept away from staff and perceived the organization as moving in the right direction and therefore essentially supported the existing status quo. In 1984 and 1988 there appears to be various levels of satisfaction as the organization was going through a transition. In 1992 given the large number of staff it was impossible to assess without a large scale questionnaire, this was not considered useful to the study. However, at the Management level, whilst not low, neither is there high satisfaction with the present organizational status.

Organizational Capacity

Three elements were assessed: if there was an articulated vision; how was change managed in the organization; knowledge/skills possessed by different individuals in the organization. This data is summarized in Table 15. A few

Table 14. Summary of Organizational Capacity

	Expressed Vision by Leadership	Management of Change	Knowledge/Skills
1978	Yes	Consensus	Management/Staff: Diploma in Human Services
1984	Yes	Strategic process based on consensus of mgmt. & supervisors	Management/Staff: Diploma in Human Services
1986	No	Authoritarian Directed by Executive Director	Management:Masters degree in Human Sciences Staff:Degree or Diploma in Human Sciences
1988	Yes	Encouraged/ Directed by Management Team	Management:Masters degree in Human Sciences Staff:Degree or Diploma in Human Sciences
1992	No	Encouraged/ Directed by Management Team with input from Supervisors and to a lesser degree staff. A strategic process	Management:Masters degree in Human Sciences Staff:Degree or Diploma in Human Sciences(Masters degree for Level II Supervisor)

comments are warranted with respect to the expressed vision by leadership. Both in 1978 and 1984 there was a clear vision expressed by the leadership of the organization as to why it was in business. This vision was both dropped and not replaced with any articulated vision by the next Executive Director in 1986. In 1988 it was articulated in the sense that it was clear to everyone that the Agency had to move fast if it was to survive. This was not the case by 1992, but no new vision was being articulated by the leadership instead there is a sense of maintenance and consolidation. With respect to skills and knowledge there is a strong emphasis on professional social work/human science knowledge and skills (as well as appropriate qualification to work in finance and administration) but not on general management knowledge and skills.

8. ANALYSIS OF DATA USING THE FOUR SELECTED FRAMEWORKS

As previously discussed the intent of this section is to explore some of the basic themes and elements identified from the four framework summaries in relation to the organizational data collected for this thesis. The aim is to draw some conclusions as to their usefulness in better understanding and managing the process of strategic organizational change in this organization.

The proposed starting point in applying each framework is to use the collected data to try to establish the existence of respectively 'strategic orientations' (Tushman & Romanelli,1985); 'thematic configurations' (Miller, 1990); 'design archetypes' (Hinings & Greenwood, 1988) and the 'dominating rationalities articulated through structural design and organizational processes' (Pettigrew, 1985). It was argued above that this appears to be a logical starting point, as to track strategic change one needs to have an adequate grasp of what the entity looks like at a given point in time. With the description completed, data will then be analyzed using key themes or ideas from that framework to explore the dynamics of strategic change in the organization under study. In the concluding part of this section the analyses will be discussed in more general terms with a view to making a judgement on their usefulness in understanding and better managing strategic organizational change in the organization.

Application of Tushman & Romanelli's (1985): A Metamorphosis Model of Convergence and Reorientation.

As summarized above, Tushman & Romanelli (1985) argue that

within and related to a specific political-economic framework, an organization's 'strategic orientation' might be characterized by five critical, hierarchically ordered and interrelated activity domains:

(1) core values and beliefs,
(2) strategy,
(3) power distributions,
(4) structure,
(5) control systems.

In 1978 the evident **core values and beliefs** centred on a belief in providing a more 'caring' service to children in the Care of the Province based on a 'humanistic' philosophy. The underlying values spilled over into the Agency's organizing principles with an emphasis on caring, equality, consultation, staff commitment to organizational values, the development of an organizational "family". The **strategy** focussed on identifying gaps in services to youth and then acquiring funds to provide those services; on developing credibility with funding sources; and developing an adequate organizational structure whilst maintaining core values. The **power distribution** was dispersed across the organization with a consultative approach to controlling the allocation of resources. The **structure** whilst on paper hierarchical was still strongly egalitarian in nature. **Control systems** were not very evident. This early 'strategic orientation' had started to shift by the early 1980's.

By 1984 there was no significant evidence of a shift in the **core values and beliefs** of the organization as they applied to working with children but there were clear signs of a shift in the organizing principles. The organization had come into contact two years earlier with a mature and

established agency social service environment in Ontario which was directly impacting on its thinking about how it should organize and operate. In response to the external need for legitimization there were moves to make the organization more 'professional'. This led to conflict in the organization around whether its core values were perhaps being compromised as referenced in the Annual Report of the time. This might be characterized, perhaps too simply, as the professionalization' / 'organizational family' debate.

The strategy remained essentially the same though with the noted greater emphasis on 'professionalization'. Some shift in power was noted in the data with more power held within the formal management team. With structure and control systems there was more formalization and a stronger sense of hierarchy within the organization. Pay scales had been introduced. Various new management positions had been added to the organizational chart in line with the Provincial expansion of the organization. Policies and procedures were developed or were being developed. A Manager of Finance had been appointed.

In 1986 core values and beliefs appear to have changed at the management level of the organization. There is expressed concern in the data of the commitment of the relatively new management team to the core values of the organization relating to really caring for kids. At the level of organizing there has been a definite shift in the way staff are managed to a more autocratic and authoritarian style. Strategically there is a distinct shift in tone as the organization more aggressively pursues contracts; also its dealings with the Department have become more aggressive in the use of the news media to criticize perceived cut backs in funding. 'Building on the success of programs' now

involves dealing with staff in a very autocratic and authoritarian manner. The Agency moves from solely working for youth and becomes involved in providing Family Support services. Power was now strongly centred in the Executive Director. The structural changes had weakened the potential influence of the Branch Boards and increased the operational power of the Executive Director. The removal of the Assistant Executive Director position from the organizational chart had had the same effect. Control systems were strengthened, centralized and extended into many operational areas of the organization.

In 1988, core values and beliefs moved back somewhat to those held in 1984. 'Caring' for kids is strongly back in focus, as is a basic respect and caring for staff. However there is no move back to the idea of an 'organizational family'. Strategically the same themes as earlier are present but with an emphasis on relating them to the 1984 core values of the Agency. There is a clear emphasis on rebuilding the organization and ensuring its survival. Credibility with funders is paramount and a clear sense of seeing them as crucial customers is both present and in strong contrast to the direction taken by the previous management team. The new management team perceives the organization as having to operate in a competitive environment whilst maintaining its core values. The structure remains essentially the same as that of 1986 though pared back due to financial constraints. Power has reverted back to the management team. Control systems are being rebuilt.

The year of 1992 saw no changes in the expressed core values and beliefs of the organization. Strategically there is an emphasis on maintenance and incremental improvements. There

is less perception of operating in a strong competitive environment and the organization is now cooperating more with other private social service organizations. Working closely with the Department has remained a strong theme. Power is noted as being essentially still focussed in the management team but perhaps more fragmented across the Agency. The structure again remains essentially the same though now expanded due to increases in the size of the organization. Control systems are strongly in place through Policy and Procedures.

Establishing and Maintaining a 'Fit' with the Economic and Socio-Political Environment

It is argued by Tushman and Romanelli that the 'strategic orientation' of an organization is supported by a complex set of economic and socio-political behaviours and activities. A key idea is that of the 'fit' between the strategic orientation of the organization and its economic, as well as socio-political, environment through appropriate behaviours and activities.

The data from 1978 on the 'strategic orientation' makes sense in terms of Tushman & Romanelli's model. In interacting with their environment it is argued that the organization should be externally effective and internally efficient. At this stage this meant obtaining 'grant' money to fill perceived gaps in services and at a very basic level stretching those monies to provide a service over a calender year. The organization was successful in both these tasks. At the socio-political level it must obtain and maintain legitimacy. Legal legitimation had been obtained externally in the establishment of a non-profit Association in line with the values of the founders. Institutional legitimation

was achieved by consciously using an organizational structure similar to that used by the more established agencies. Internal legitimation was established by maintaining a strong commitment to the founding values of the organization. A 'fit' was established.

In 1984 some stresses can be noted in the 'fit'. Externally there was a greater understanding within the Department of what its needs were from private social service organizations and an increasing emphasis on accountability at both a financial and service level. This was clearly picked up by the senior management of the organization who were already under the training influence of a mature Ontario social service organization. However the team encountered difficulty in obtaining complete internal legitimacy as noted by the 'professionalization' / 'organizational family' debate.

The internal legitimation is at least superficially achieved in 1986 but through fear and intimidation. An approach that was not in line with the organization's perceived core values that continued to be held and promoted internally to new hires by staff from the 1984 era. Within the strategic orientation there is now a very strong inconsistency. In other ways the organization has responded to the external environment. It is competing effectively within a competitive tendering/contracting framework. However the 'fit' is under further strain by the way the management is now undertaking its socio-political activities. It moves away from showing sensitivity to the Department's needs and its then very real economic constraints. The organization's management strongly criticized perceived cut-backs in funding for contracts through the news media. The 'fit' is so poor by early 1987 that the Department re-tendered all of

the organization's contracts. With one exception the Board removes all of the management team through terminations or accepting resignations. At this point the organization wins back many of the contracts but with a much reduced funding base.

In late 1987 the Board recruits a new Executive Director from the Corporate Head Quarters of the Department of Social Services. The socio-political 'fit' is reestablished and strongly maintained through 1988 and 1992. Amongst the elements of the 'strategic orientation' consistency is greatly enhanced though by no means complete. Over this period the organization has been successful in rebuilding and then expanding the organization.

As such this component of the model is broadly supported by the historical data collected for this organization.

To understand the dynamics of change to an organization's strategic orientation within this economic and socio-political context the authors propose three key ideas: convergence, reorientation and executive leadership.

Convergence

Tushman & Romanelli argue that appropriate activities at the political and economic level and of achieving consistencies in and among the organization's activity domains results in successful organizational performance. This has been basically supported in the above discussion. The potential downside is the development of structural and socially-anchored ine.tia. A momentum toward 'convergence':'a process of incremental and interdependent change activities and decisions which work to achieve a greater consistency of

internal activities with a strategic orientation, and which operate to impede radical or discontinuous change'. This appears to be evident in the present organization in the period of 1978 through 1984. Although not dramatic the resistance to change in the perceived 'organizational family' was noted in 1984. In reality this had already changed by the opening of programs outside of the Edmonton area where staff saw the organization as a good employer but not as some form of extended family. From the Edmonton perspective there was a concern and mistrust of expansion as destructive of the unique nature of the organization. This theme was still strongly present in the Edmonton staff as late as 1988. The periods of mid-1985 through late 1986, and 1988 through 1992 might also be characterized as periods of convergence. Characterized by a reasonably stable environment; increasing organizational size and complexity; complimentary senior management skills and a stable executive team the data generally fits with the model's propositions for convergent periods.

Reorientation

The issue is to decide what to call the dramatic change that occurred in the organization in late 1984 through late 1986. It seems clear from the data that in 1984 the organization was attempting an adaptation to gradual changes in its competitive and socio-economic environment. Using Tushman & Romanelli's model, what it got was probably at least a 'reorientation' and possibly an attempted 'recreation'.

At the strategic level there is a dramatic shift not so much in the overall goals but in the manner in which the organization tries to achieve those goals. Power becomes centralized in the Executive Director. The structure changed

in a manner that increased the power of the Executive Director. Control systems changed both in their nature and pervasiveness. There is clearly a question arising from the data as to whether there was an attempt to change the core values of the organization. With dramatic changes made in a short period there followed a short period of convergence around these themes until it was brought to an abrupt halt by the re-tendering process of 1987. What is interesting in this analysis is that the external forces suggested by the authors as basic for this type of change were not present. There was no sustained low performance resulting from a lack of consistency among activities at the political and economic levels. There were no major changes in the environment that were not already present and being acted upon in 1984. The reorientation was made worst by being a failed reorientation. The 'fit' present in 1984 was lost and no adequate 'fit' was re-established with the external socio-political and economic environment. The explanation may lie in Tushman & Romanelli's third key idea.

Executive Leadership

One possible explanation for the above lies in the area of executive leadership. The Executive Director in 1984 recognised the need for a change in the leadership of the organization. In reality this seemed to be at two levels. At a personal level he wanted to take on some new challenges in a different organizational context. At an organizational level he had a sense that there was a need to improve management and administrative skills at the executive level to facilitate an effective 'fit' with the newly emerging competitive and increasingly professional environment. The Director appeared to be influential in blocking an internal promotion by suggesting the need of an outside appointment.

The organization subsequently did not thoroughly check the employment history and operating values of the chosen replacement. Whilst it would appear that the Board was seeing the replacement as an adaptive strategy what it got was a reorientation based upon the drive and vision of the new Executive Director rather than by forces external to the organization. In this respect the data confirms the model's ideas on the potential power of executive leadership in effecting radical change and that reorientations will be most frequently initiated by outside successors. But what it also introduces is the possibility that an organization might be launched into a reorientation by such an outside appointment when it only intends or needs an incremental 'tuning' or 'adaptation' to use Nadler & Tushman's (1989) terms.

Application of Miller's (1990) 'The Icarus Paradox: How Exceptional Companies Bring About Their Own Downfall'

In the work that built up to the publication of the 'Icarus Paradox' the research centred on three key ideas that will now be used to review the collected data: configuration, momentum and failure as a variant of success.

Configuration

For Miller various organizational elements, perceived as associated with the initial success or 'fit' of the organization with its environment, are naturally reinforced. Suggested organizational elements are identified as leadership; strategic commitments; structures; systems; culture; common industry practices; competition and customer pressures. These elements gradually start to 'fit' or cohere together to produce an 'integrated thematic configuration'

whose qualities are mutually interdependent. The origin of the theme might be leadership; strategic commitments; common industry practices; competition etc. Once a theme does emerge, it is argued that routines, policies, tasks and structures develop to both reinforce and implement that theme.

With respect to the organization in this study in 1978 the dominating theme clearly appears to have developed from the values, assumptions and beliefs of the four founding members of the organization. The theme of a 'humanistic' service to youth in the Care of the Department of Social Services evolved in interaction with common industry practices. These practices arise in part from the training the four founders received through a diploma program in 'Youth and Child Care'; from the structure and practices of the existing Provincial private social service organizations; as well as from the Department itself. The latter two gave form to the structures and systems but clearly the values gave them content and meaning. From the initial success of the company in obtaining 'grant' monies to operate a residential facility for youth in Care; the structure and systems are imbued with these founding values and beliefs. Despite the hierarchical appearance of the structure there was strong egalitarian values attached to its operation. Consensual decision systems were developed and the service and personnel systems were strongly 'humanistic' in content.

Momentum

Miller then argues that the company should extend and amplify the strengths and values that facilitated this initial fit with the external environment; whilst at the same time extinguishing characteristics perceived as

secondary or unimportant. For Miller this momentum continues until something major stops it. He argues that outstanding firms will extend their themes and configurations until they reach 'dangerous extremes'; then with a resulting poor 'fit' with their environments they become involved in what he calls 'trajectories of decline'.

The idea of 'convergence' was discussed in respect of the first model. However there does not appear to be strong evidence of Miller's more extreme form of this 'convergence' or 'momentum' in the data collected on the organization. There are a number of possible explanations for this difference.

First, this is not an 'outstanding organization' in the sense that it was highly successful in the early stages of development due to a dominating theme. As noted above the 'humanistic' theme was very important to those involved in the organization between 1978 through 1984,(and through to 1986 if staff, rather than senior management, remain the focus). However was it this theme that made the organization successful? The analysis made above on 'thematic configurations' may be too simplistic by falling into the trap of over emphasizing the role of the individuals' values and beliefs as the dominant theme. The organization had moderate success throughout this period but was not perceived as particulary more successful than its competitors. With the Department as its only customer, and with whom it has a highly enmeshed relationship, its ability to act in an autonomous manner is highly prescribed by both its contractual relationships and legislation. The organization was therefore strongly influenced by common industry practices; competition and customer pressures. Its ability to comply with such practices whilst meeting the

needs of its customer (the Department of Social Services) combined with core values and beliefs are more likely the group of elements that most determined its relative success. The collected data describes early management as clearly sensitive to the needs of its funder. The danger of excess for this particularly organization probably lay in the tendency of leadership values and beliefs to be over emphasized as central to the success of the organization and as such to drift into conflict with the other elements.

However even in this area abrupt breaks in continuity at the senior management level occurring in 1984-1985 and then again in 1987 has probably gone some way to preventing over confidence from the leadership in this respect. It may simply be that there has been inadequate time or talent to achieve a tightly integrated thematic configuration that might lead to excesses.

Failure as a Variant of Success

These tendencies discussed in the last paragraph are worth exploring further in considering Miller's third key idea selected for exploration in this thesis. There is an emphasis in the private social service sector on the importance of individual organizational values and beliefs to the success of its services rather than this being a function of compliance with industry practice standards and customer needs. An example of this from the data comes from 1992.

Many of the current contracts managed by the organization were essentially developed in 1988 and were based on the values of the new senior management team; current industry practices; and with a view to meeting contempory customer

pressures. To give a specific example a new Family Support service was developed in 1987 for a community in the Central Region of the Province. Employing Family therapists and a small number of family support workers the program became a success based on the hard work and skill of the team in meeting the needs identified in the contract. The program was held up as an example of excellent practice and reflective of key organizational values. It keenly built on its early strengths in family therapy and moved away from secondary characteristics such as being available for weekend and evening work, offering more basic family support services, etc. That is the program was shaped by a consistent 'theme' of skilled, well researched and documented services to families that strongly channelled its strategy, culture and structure. The 'theme' determined standards of success, what and how information was attended to and interpreted. In early 1992 following a sudden change in local Departmental personnel, along with a more gradual shift in local industry practice standards and customer needs the program was asked to change. The change involved offering those services that had been extinguished. Competitors, not present in 1988, were certainly willing to offer such a service. This change was not seen as coming by the organization's management. As suggested by Miller it was not asking the right questions in scanning the environment. The ensuing change was very hard and personally costly for the senior staff of this program and continues to be an issue in 1993. The very elements that had led to its success had constrained its ability to adapt to changing circumstances.

Other examples could be cited. What is apparent are the tendencies noted in Miller's findings: failure as a variant of success.

Application of Hinings & Greenwood's (1988): The Dynamics of Strategic Change

In applying Hinings and Greenwood's (1988) framework three key themes or building blocks will be explored: establishing archetypes; using the concept of tracks as a means of looking at how organizations change over time; reviewing five forces identified as a means of understanding the 'why' of organizational tracks.

Archetypes

In their unpublished paper Greenwood and Hinings (1992) argue that the search for archetypes should start with identifying possible sectoral interpretive schemes from the institutional sphere or industry sector. In this specific study the institutional or industry sector is the sphere of the provision of Social Services to Children. At a more specific level it is the private sector as opposed to the public sector within that sphere.

In 1978, within the context of a buoyant Provincial economy, the service domain of the private sector was residential services to youth in the Care of the Department of Social Services funded through a system of annual 'grants'. There was a move to deinstitutionalization by the provision of care to youth in smaller group settings. The organizing norm for the private sector was to have an Executive Director at the head of the organization. Then management and functional support, if organizational size warranted, in the form of supervisory and monitoring capacity from the former, administrative and financial monitoring from the latter. Supervisors for each residential program along with service delivery staff. In every significant way this mirrored the

organizational structure of the Department of Social Services. Private Social Service organizations evaluated their performance by the extent to which they met their service values in first identifying and then filling perceived 'gaps' in the provision of social services to youth.

By 1984, with the economy in a recession, sectoral elements had begun to change. The domain was essentially the same however the more liberal 'grant' system was being replaced by a more tightly controlled contracting system. At the level of organizing this reinforced an increased role for administrative and financial management within the organizational structures whilst other elements were maintained. In addition the Department of Social Services had changed to a 'regional' structure. 'Regional' managers were beginning to appear in private sector organizations. Also both the Department and the private sector organizations had come under the increasing influence of the more established Ontario Social Services. Self evaluation appears still to be mainly at the level of meeting agency service values through service identification and provision but there is discussion of demonstrating efficiency and effectiveness in the provision of those services.

In 1986, with continuing fiscal restraint and cut backs, the domain of the private sector was increasing beyond the provision of residential youth services. Family support services were growing in the private sector within a tendering/contracting framework. Privatization was being openly discussed as a more effective and efficient means of delivering services. Development of competitive market forces in the social service sector was under way. With the introduction of the new Child Welfare Act in 1985 the

delineation of what services the Department should provide and under what circumstances they should be provided was much more explicit. The impact on organizing was in the same direction noted in 1984. Through tighter financial controls along with increasing expectations of accountability and standards for service provision there was an increasing role for finance and administration. Self evaluative criteria was beginning to be developed in consultation with the Department as evaluation criteria was built into service contracts.

The year 1988 saw no significant changes to the established directions of 1986. The domain of the private sector continued to expand as it now moved into the provision of Foster Care services.

In 1992 some changes could be noted. Fiscal restraint continues and expansion of services has clearly been replaced by reallocations of a fixed amount of monies to changing priorities. The domain and contracting had not changed but the expressed values behind this process had begun to shift. There was now an emphasis on 'partnership' as opposed to competition. There appears to be a sense of the Department managing the private sector as opposed to simply encouraging market forces. The Department now works with private sector organizations to 'help' them meet the service needs of the Department. At the same time some competition is still encouraged as an apparent means of controlling organizational services and any upward pressure on costs. Evaluation is now much more clearly in terms of meeting contractual service and budgetary requirements.

As noted in the earlier part of this analysis the impact of the institutional context on the organization in this study

appears to have been strong. For each of the identified dates the organization has essentially mirrored the institutional context in terms of its domain of operation, organizing principles and performance evaluation criteria. This is not surprising given the very enmeshed relationship the private sector has with the Department of Social Services. With one customer in a highly regulated service area it might be expected that the organizations closely resemble each other. What the private sector achieves for the Department are lower costs in a non-unionized and potentially competitive environment, the ability to be more easily managed for the same reasons and to be more flexible and innovative due to their size and the influence of competitive market forces. In other respects one might expect them to mirror the Department.

Looking at this relationship more closely one can note that in 1978 the organization had adopted the trappings of its institutional context but was still maintaining its 'humanistic' values in its organizing principles. It had the appearance of an hierarchy but maintained egalitarian values in its practice. By 1984 it had adopted more fully structures and systems similar to that of its institutional context. By this time it was in the process of adopting systems from the a large and well established Ontario Social Service Agency. It had started to use a salary scale that reflected the positions and scales used by the Department of Social Services. There was an on-going internal debate, particularly centred in the Edmonton area, of the organization beginning to lose its valued culture of being an 'organizational family' as size increased and more systems were introduced. There was both organizational material stating the need for professional practice and a recognition by the Executive Director of the perceived need

of the organization to be more 'professional' in its management and administration. The collected data for the remaining dates of 1986, 1988 and 1992 show that the organization has continued in this direction.

This analysis is interesting because there might be a tendency to think of archetypes in quite static terms, however the data reviewed above emphasizes the 'dynamic' and evolving nature of organizational archetypes. There does not appear to be a discrete archetype at point A and then another at a point B but rather elements of the interpretive scheme, structures and systems gradually changing at different points in time, resulting in an emerging change in the overall pattern. However, using Hinings and Greenwood's idea of 'archetype' to more clearly identify this movement one might identify an archetype A as being the organization as a 'family' under the 'grant' system evolving to an archetype B as the 'professional' organization under a more tightly controlled 'privatization/contracting' system.

Tracks

The concept of tracks is the second building block used by the authors to provide a systematic framework for looking at organizations over time. The period of 1978-1992 shows the gradual movement from the 'grant' system with an emphasis on the organization meeting its own values through the identification and then filling of perceived service gaps to the 'privatization/contracting' system with the Department identifying service gaps and then approaching the private sector to fill those gaps in a cost effective manner.

The authors describe a movement away from an archetype as involving the 'decoupling' of structures and systems (in

part or in total) from a dominant underlying interpretive scheme; the movement into a new archetype as involving the recoupling of those structures and systems (in total) to a new interpretive scheme.

It would appear from the data that between 1978 and 1984 the structures and systems (at both the prescribed and emergent levels) had evolved with changes in the interpretive scheme. However a tension had arisen in that by 1984 the structures and systems at a prescribed level ('professionalization') were out of step with the emergent systems ('organizational family'). For personal reasons but also with a view to perceived organizational needs the Executive Director left the organization. The Board and the exiting Executive Director decided to push more strongly in the direction of 'professionalization' with the appointment of an external applicant, qualified at the doctoral level in Psychology, to the position of Executive Director. In the very short time span through to 1986 the structure, systems and interpretive scheme had realigned at the prescribed and emergent level with the senior management but only at the prescribed level with the majority of the organizational staff. Many staff perceived an unacceptable shift in the core values underlying the interpretive scheme. This initiative came to an end with the re-tendering process of early 1987. In 1988 though 1992 the same direction noted in 1984 continues but there has been a return to interpreting the changes in the interpretive scheme through the organization's core values and biographical context.

Examining Five Forces that Impact on Organizational Tracks

As noted in the summary, Hinings and Greenwood (1988) identify five forces that impact on organizational design:

organizational context, interpretive schemes, interests, dependences of power and organizational capacity. These forces will be analyzed for 1984, 1986, 1988 and 1992. The year of 1978 is seen as a starting point.

In **1984** within the **organizational context** the Board (ownership) had identified the need for increased 'professionalization' in the way that the organization was managed and administered due to both its increasing size and the evolving institutional context as discussed above. Technology (in this organizational setting understood as the skills and methods used to support youth needing services under the Child Welfare Act) was perceived as adequate for the task of providing residential services and not seen as a constraint for the kind of management and administrative changes required. **Interests** and the **interpretive scheme** were seen as somewhat committed to the status quo of the 'organizational family' through the supervisory and service staff levels (particularly in Edmonton), but there was open and honest debate and whilst resistance was noted it did not appear to be perceived as a major constraining factor. The Board and management levels had what the authors call a 'reformative' commitment. **Power** was perceived as located in the management team with strong influence from supervisors which might be labelled as somewhere in the middle of the concentrated-dispersed continuum - hence the strong and passionate internal debate on the direction of the organization. Whether there was the **capacity** within the organization to make this move is questionable. The data suggests that the senior management and Board saw the need for change in incremental or adjustment terms and therefore easily manageable. What the organization got was probably an attempt at a major 'reorientation', if not 'recreation', (as discussed above). Therefore the question arises as to the

knowledge and skill capacity that was brought to the process of replacing the Executive Director and managing this change process.

By late 1986 the initiative is on the verge of failure. The direction taken by the Executive Director toward 'professionalization' had not worked. In the area of the organizational context the key factor is the now poor fit with the institutional context. The analysis above of archetypes suggests that the Department, under financial pressure, was moving in the direction of exerting more control over private sector organizations. The very public moves made by the organization to resist this direction led to the contract re-tendering process of early 1987. Also the interests linked with the interpretive scheme added internal constraints to the attempted change process. If before, the debate on the direction had been open and honest based upon a respect for the leadership, it was now underground and more strongly resistant. Whilst the review of the collected data notes that power was centralized in the Executive Director it was a power based on intimidation and fear. This was in reality limited power in an organization as geographically dispersed as this organization. Capacity remains questionable. Leadership was clearly transactional. The skill and knowledge to change an organization remained on the prescribed but not emergent levels.

In 1988 through 1992 within the organizational context a good fit has been reestablished with the institutional context. The increasing size of the organization has also brought pressures that supported the change initiative to increasing 'professionalization'. With increasing size and an influx of many new staff interests are more diffuse across the organization than in 1984 and 1986 and whilst not

measured in this thesis are probably in the area of reasonable satisfaction. Strong efforts were made by the new management team in 1987 to address the stated needs of staff across the organization. Efforts have been made to increase their voice in the organization's direction through the Personnel Committee, the Finance Committee and more recently the expanded Management team.

Application of Pettigrew's (1985): Continuity and Change in ICI

As noted in the summary, Pettigrew's findings support the idea of the inertial properties of large organizations and the tremendous difficulties of changing established ways of seeing and behaving towards the environment. Further the overall pattern in the ICI data on strategic change indicated that changes tended to occur in radical packages interspersed with relatively long periods of both absorbing the impact of revolutionary action and then coming to terms with the fact that further changes are eventually necessary. Pettigrew argues that behind the periodic strategic reorientations in ICI were not only economic and business events, but also processes of managerial perception, choice and action. This is primarily a political process in Pettigrew's eyes. In this present analysis of strategic change in a considerably smaller organization the focus will be on three key themes from this work: the identification of dominating rationalities articulated through structural design and organizational processes; evidence supporting a cycle of continuity and change as suggested by his framework; an exploration of the processes driving the change phase of the cycle.

Dominating Rationalities

For Pettigrew (1985) 'dominating rationalities' are core beliefs articulated through structural design and organizational processes. In the present context, the way in which the core values and beliefs of the founders of the organization were expressed through the structures and systems of the organization have been reviewed earlier in this section. These were expressed through the 'humanistic' principles applied to providing services and to the organizing principles of the organization from 1978 through 1984. This 'dominating rationality' has been characterized in the thesis as a commitment to the vision of an 'organizational family'. By 1984 the stresses within the organization as it became more 'professional' through forces from its institutional context have been noted and explored. It is the perceived strategic organizational change from the dominating rationalities of the 'organizational family' under the 'grant' system to those of the 'professional organization' under the 'contractual' system that has been the main focus of this concluding section.

Evidence Supporting a Cycle of Continuity and Change

In the context of the organization used for this study, the cyclical framework does not appear to fit the collected data in any clean or simple way. Conceptually, as argued above, the organization in the period of 1978-1992 shows the gradual movement from the 'grant' system, with an emphasis on the organization meeting its own values through the identification and filling of perceived service gaps, to the 'privatization/contracting' system with the Department identifying service gaps and then approaching the private sector to fill those gaps in a cost effective manner. This

movement has been described as taking place in three phases: 1978-1984, late 1984-early 1987, and 1987-1992. The first two phases have terminated with radical change. However the first was not brought on by a clearly perceived 'crisis'. This is not to say that a crisis would not have eventually occurred if the Executive Director had not stepped down. As noted earlier there was some reference in the data to 'internal and external grumblings' about the Executive Director's ability to manage a larger and increasingly prescribed organization. The Executive Director, seen as a very strong program developer and advocate for youth in Care, publicly acknowledged the need for a stronger organizational and administrative management of the organization. Also at this point, although radical strategic change occurred, this was not intended by the Board. The other elements suggested by Pettigrew are then present but on a short time frame, perhaps indicative of both the size of the organization and the industry sector. The third phase was precipitated by a 'crisis' in the form of contractual re-tendering and the other elements are following the proposed direction suggested by Pettigrew's framework.

Pettigrew's study found that variability across the five cases in their contextual starting point materially affected the capacities of managerial action to influence and create the desired strategic change. As noted in the summary he suggested that a partial explanation may lie in the absence of certain factors. Absence of sufficient business and economic pressure, and therefore a lack of sufficient negative energy for change that comes from dissatisfaction with the status quo. Absence of positive energy and tension for change which can be created by the vitality, imagination, visionary ideas and persistence of leadership. The presence of a segmentalist rather than integrative

organizational structures and cultures. This analysis may give a partial insight into why the change phase of 1984-1987 failed and why the change phase that commenced in 1987 has been relatively successful. In 1984 with the commencement of the new Executive Director there may not have been sufficient business and economic pressure to warrant such an apparently drastic change in the management of the organization. Leadership did not inspire and enthuse but used a more authoritarian style. A segmentalist rather than integrative structures and cultures were developed. In 1987 the opposite was true with a real financial crisis; a management strategy to work with staff to ensure the survival of the organization; and the gradual evolution of integrative rather than segmentalist structures and cultures.

Finally the data somewhat supports Pettigrew's use of Johnston's (1975) framework on the how of strategic change being in four phases: developing a concern with the status quo; getting acknowledgement and understanding of the problems that need tackling and why; planning and acting; and a period of stabilization. In perhaps too simplistic terms within the context of the broad move toward 'professionalization' the organization could be seen as having arrived at phase two of this process in the debates of 1984. The 'structured' dialogue however was cut short and the subsequent planning and acting phase of 1985-1986 never obtained internal legitimacy. The crisis of 1987 facilitated an understanding of the need for action. By 1992 in many respects the organization was in a period of stabilization whilst it caught its breath. The use of the crisis in 1987 supports Pettigrew's suggestion that effective action in managing strategic change is dependent on mobilizing environmental disturbances and crises in order to achieve

change.

Exploration of the Processes Driving the Change Phase of the Cycle of Continuity and Change

The political content of change is of interest but at the same time difficult to access. As noted by Pettigrew it is often dressed up in the rational language of organizational efficiency and effectiveness. The present discussion is therefore limited to a review of the change in the organization from 1987-1988 where personal observation gives some subjective insight into the political content of the strategic change process.

Using Pettigrew's framework, when compared with the change of Executive Director in 1984, the new management team in 1987 were better positioned to effect significant organizational change due to the presence of the external 're-tendering' crisis. That is, in this instance there was sufficient external pressure to support the need for change. However at the same time there was perceived pressure to return in many ways to the organization of 1984. In the first place the Board brought back as a consultant the 1984 Executive Director. He in turn appointed one of the founders of the organization as a Supervisor of the organization's original residential Group Care facility in Edmonton. These were seen as highly symbolic actions reaffirming a return to the core values of the organization. At the same time it was evident to the new management team that the 'professionalised' direction was still both inevitable and desired given both the institutional context of 1987-88 and the size of the organization. The difficulty was that the organization had had a particular experience of 'professionalization' that would make this direction more

difficulty to take.

The process that followed over the 1987-1989 period exemplified Pettigrew's finding that the content of strategy was ultimately the product of a 'legitimation' process shaped by political/cultural considerations within the specific business and economic environment of the time and expressed in rational-analytical terms. In the first instance there was a distancing from things or processes associated with the previous Executive Director. This was a at a very concrete level and symbolic level such as changing the Executive Director's office into the reception area, the new management team taking smaller offices. At a systems level it meant publicly reviewing the whole of the Policy and Procedure Manual and changing in a very public way those elements found most contentious by the organization's staff; dropping the previous supervision and appraisal system not because it was inherently defective, but because of its association with a certain style of management. There was also a conscious effort by managers to use language that reflected the core values of the organization as they were perceived in 1984. The financial crisis that faced the organization was actively used as a basis for promoting the need for change. In summary, as suggested by Pettigrew's framework, the organization's strategy at that time was crafted by management in the context of very real political forces using the organization's culture and the ongoing external funding crisis as a means of legitimizing change.

The other element of Pettigrew's framework is that strategy is shaped in part by the interests and commitments of aspiring individuals and groups. Whilst new directions were explained in the language of the original core values of the organization and in relation to the perceived funding

crisis, the management team clearly introduced new elements that reflected their own interests. Also much of the energy that went into ensuring the survival of the organization can be directly related to potential career, reward and status for individual management team members.

This last point is a real strength in Pettigrew's framework. Using the political-cultural analysis he links the broad movements of organizations back to individuals and groups within the organization whilst maintaining the link with external forces.

Concluding Comments

In the above analysis, using data collected on one specific organization, some of the key ideas from the selected four frameworks have been explored. It was not the intent of this thesis to complete a rigorous analysis. Rather the aim was to relate basic empirical data to the main themes of the frameworks with a view to drawing some conclusions as to their usefulness in better understanding and managing the process of strategic organizational change in the organization studied for this thesis. The ideas and insights that this process has created for me have been many and it will take time for me to digest them. These concluding comments therefore reflect some immediate thoughts on their usefulness.

Pettigrew (1985) noted that for the most part the research he reviewed had been ahistorical, aprocessual, and acontextual. This might be used to describe the management analysis that I had brought to developing my understanding of the organization prior to undertaking this thesis. For sure I can point to the use of contextual assessments from

1988 onwards but these were in effect snap shots not placed in any historical or processual context. I would like to use each of these elements as a way of briefly summarizing some of the insights I have had as to the usefulness of the frameworks in understanding the dynamics of strategic change within my own organization.

Prior to undertaking this study I had only the most cursory knowledge of the organization prior to 1985 and a limited knowledge of what occurred between 1985-1987 based mostly on dramatic stories passed on by organizational 'survivors'. All the frameworks reviewed in this study emphasize the importance of historical context to understanding strategic organizational change. The longitudinal study gave a perspective of underlying themes present in the strategic direction of the organization that was different from the static short term and unrelated snap shots I had taken to date.

Linked to this is the idea of identifying the organizational entity as it moves through time. This was described as the logical starting point by Hinings and Greenwood. They argue that to track development one needs to have an adequate grasp of what the entity looks like at a given point in time so as to recognize continuity and change at a different point in time. The concepts of ' 'design archetypes', 'integrated thematic configurations', 'strategic orientations' and 'dominating rationalities' provide basic tools that can be used to capture the organizational entity and a basis for tracking that same entity over time. These concepts broadened my understanding of the importance of core values and beliefs in the organization's development; but also, and perhaps more importantly, the importance of institutional or sectoral context in the development of its

strategic organizational change.

It was noted above that context, both internal and external, were annually monitored by the organization. This study in general and Hinings and Greenwood's (1988) five force analysis in particular emphasized for me the need to assess the interactive and dynamic nature of a range of forces to understand the 'why' or potential of successful or unsuccessful strategic organizational change. Of particular note was the assessment of organizational 'capability' as defined by the authors. In hindsight obvious but totally lacking in the organization's assessment through to 1992.

I found Pettigrew's processual analysis to be powerful and meaningful to my own management experience. The basic management education system strongly emphasizes the rational-analytical processes present in organizations whilst underestimating the political-cultural processes. I found that his analysis of the political-cultural process in the development of strategic content to be highly relevant and when linked to his use of Johnston's (1975) framework potentially very useful in the management of strategic organizational change. In more general terms I thought his attempts to link macro forces and the specific drives and goals of individuals to also be potentially very useful to the process of managing change. This was complimented by Tushman & Romanelli's exploration of the role of executive leadership in the change process.

In a 1987 paper, Pettigrew noted the problem of perspective in attempting to explain change processes and outcomes, at least partially in terms of leadership behaviour. He noted that, 'where we sit not only influences where we stand, but also what we see'. It appears to me that the different

frameworks reviewed in this study, based on empirical research strategies, offer a manager a variety of reasonably sturdy seats from which to view and act on strategic organizational change.

With respect to the study itself. Twelve years ago I became involved in trying to understand and facilitate the change process at the individual level of youth facing various problems and crises. That twelve years first involved trying to understand, adapt and then use broad, competent frameworks that might provide an adequate and useful perspective. Then moving from these broad frameworks to the specifics of given behaviours, thoughts and feelings of specific people, in specific circumstances, with specific histories. Finally trying to feedback information from these specifics to modify the frameworks. I feel that this thesis represents for me a first step in trying to understand, adapt and then use some broad, competent frameworks to understand and facilitate strategic organizational change.

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APPENDIX 1:SOURCES OF INFORMATION

Both the selection of interviewees and documents used in this study were selected by the author based on availability rather than any random or structured selection process. Efforts were made to ensure that interviewees were representative of key positions and interest groups in the organization. However this underscores the subjective aspect of the study in both the interview and document review process and insofar as the questions, information selected and its interpretation were completed only by the author.

Interviews

Seven people were formally interviewed. These included: one Board Member who had been with the organization since its inception; one of the 'founders' and original managers of the organization 1975-1985; one senior managers with the organization since 1987; three Program Supervisors with between five and ten years service with the organization; and one senior Manager from Corporate Social Services Head Quarters with more than ten years service with the Department. The shortest interview lasted approximately one hour, the longest interview approximately three hours.

Documents

A. Department of Social Services

1. The Revitalization of Community Enterprise: the Alberta Case for "Privatizing Social Services" by P.S. Kinkaide, Director of Corporate Development, Alberta Family and Social Services. June 1985.
2. The Alberta Association of Social Workers Position Paper on the Alberta Government Policy of Privatizing

Public Services. June 1986.

3. Mapping the Future Management Forum. Presentation by Alberta Family and Social Services. Presentation notes and videos. June 1992.
4. Management Input for Board Retreat. Agency document 1987.

B. Organization

1. Annual Report 1987-88
2. Annual Report 1991-92
3. Board of Directors Retreat Oct.1987
4. Personnel Committee :Terms of Reference 1988
5. Executive Directors Report April 1988
6. Board Meeting Minutes Nov.1988
7. Annual Report 1983-84
8. Annual Report 1982-83
9. Annual Meeting Minutes Sept.1986
10. Annual Meeting Minutes 1991-92
11. Annual Report 1984-85
12. Agency Memo re. Negotiation Process Dec.1986 also newspaper articles 1986
13. New Organizational Structure 1991
14. Agency Memo re. Branch Boards Oct.1982
15. Agency Professional Practices Manual 1984

APPENDIX 2. QUESTIONS USED TO COLLECT DATA ON IDENTIFIED EXTERNAL AND INTERNAL ORGANIZATIONAL ELEMENTS MEASURED IN THE STUDY.

All data was collected by the author of the thesis by either interview or document review. In both interviews and document reviews the following questions were used as a means of collecting data to measure the identified elements (see p.91):

I.EXTERNAL ELEMENTS

1. BUSINESS CONTEXT

Institutional Environment/Common Industry Practices

Interpretive Scheme(s):

a. domain:

What was/is the perceived/stated purpose or mission of contracted agency/agencies?

b. principles of organization.

How should have/should the agency/agencies organize?

c. self evaluative criteria.

How should have/should the agency/agencies assessed/assess its/their performance?

Organization Design

a. structure

What agencies operated under contract at that time/currently operate?

Business Forces, Competition and Customer Pressure

How many agencies existed/exist?

How were/are contracts awarded?

Technology

What was/is the service philosophy of the Department?

What types of services were/are contracted?

2. ECONOMIC CONTEXT

Economic Forces

What was the budget environment for the Private Sector (increasing,decreasing,same)?

3. SOCIO-POLITICAL CONTEXT

Socio-political Forces

Can you identify any relevant social or political forces that might have been impacting on the private sector at this date?

II. EXTERNAL ELEMENTS

4. CORE VALUES AND BELIEFS

Interpretive scheme;values;assumptions and belief of leadership; dominating rationalities; core values and beliefs

a. domain:

What was/is the perceived/stated purpose or mission of the agency?

b. principles of organization.

On what principles was/is the agency organize(d)?

c. self evaluative criteria.

What criteria(formal/informal) did/does the agency use to evaluate its performance?

5. STRATEGY

Strategy

What was/is the stated/perceived strategy of the organization at this time?

6. OWNERSHIP

Ownership:

How was/is the board structured?

What occupational backgrounds were/are evident in the board?

Was/is it a policy or management board in its focus?

7. SIZE

Size:

Approximately how many programs were/are managed by the Agency?

In what centres did/does the organization operate?

What were/are the range of services offered by the organization?

8. STRUCTURE

Structure:

Describe the organizational structure in terms of positions, reporting lines, roles and responsibilities.

Would you say that the organization encourage(s/d) and

empower(s/d) change (examples)?

What systems were/are in place to facilitate the exchange of ideas between different parts of the organization?

9. SYSTEMS

Systems:

Describe decision making authority in service delivery, budget expenditures and personnel management:

Describe the criteria used for recruitment, career development, compensation and appraisal:

10. POWER

Power:

Who had/has power in the organization?

What was/is the main decision making group in the organization?

11. POLITICAL PROCESSES

Political processes:

What were/are the political processes that took/take place in bringing about any significant change in the organization (examples)?

Interests:

What was/is your level of satisfaction with (a) financial administration and processes, (b) program management and development, (c) organizational management, (d) your status within the organization?Rate 1-5 with 1 being low and 5 high satisfaction.

12. ORGANIZATIONAL CAPACITY

Leadership Capacity:

Was/is there an articulated vision for the organization?

How was/is change managed within the organization?

Knowledge/Skills:

What was/is the education/experience of board members, management, supervisors?